

Flood Mitigation Assistance (FMA) Program Guidance



FEMA



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FEMA

FLOOD MITIGATION ASSISTANCE (FMA) PROGRAM OVERVIEW

FMA PROGRAM

The FMA priority is to fund flood mitigation activities that reduce or eliminate the long-term risk of flood damage to buildings, manufactured homes, and other structures insured under the National Flood Insurance Program (NFIP). **Applications for FMA funds will be accepted until March 31, 2008.**

The Flood Mitigation Assistance (FMA) grant program provides funding to States, Federally-recognized Indian tribal governments, and communities so that cost-effective measures are taken to reduce or eliminate the long-term risk of flood damage to buildings, manufactured homes, and other structures insured under the NFIP. The long-term goal of FMA is to reduce or eliminate claims under the NFIP through mitigation activities.

APPLICATION CONSIDERATION IN OTHER MITIGATION GRANT PROGRAMS:

FEMA may determine that subapplications submitted under a specific grant program and not funded under the requested grant program may be considered by another mitigation grant program(s) when the following requirement is met:

- **Applicants must include a statement in their grant application under the “Comments for FEMA” field in eGrants** indicating their interest to have its subapplications considered for another mitigation grant program (specify the additional mitigation grant program(s) and corresponding CFDA number(s)).

FEMA may request additional information from the Applicant. The Applicant must provide all requested information within the specified timeframe.

AVAILABILITY OF FUNDS

The FMA program is subject to the availability of appropriation funding, as well as any directive or restriction made with respect to such funds.

FUNDS:

FMA funding is available for State allocations for Planning, Project, and Technical Assistance grants.

ELIGIBLE PROJECT ACTIVITIES:

- Acquisitions/Relocations;
- Elevations;
- Dry Floodproofing of non-residential structures;
- Minor Localized Flood Control Projects;
- Beach Nourishment Activities; and
- Demolition of NFIP-insured structures on acquired or restricted real property.

ELIGIBLE PLANNING ACTIVITIES:

Planning activities that develop State, Indian tribal, and local Flood

KEY POINTS

FMA GUIDANCE:

FMA guidance document and additional guidance materials, or Agreement Articles are available from the FEMA Regional Office or on the FEMA web page:

<http://www.fema.gov/about/divisions/mitigation/mitigation.shtm>

KEY POINTS

INELIGIBLE PROJECT ACTIVITIES:

- Major flood control projects;
- Dry floodproofing of residential structures;
- Mitigation reconstruction;
- Phased or partial projects;
- Studies that do not result in a completed mitigation project;
- Flood studies or flood mapping;
- Maintenance or repair projects;
- Generators, and related equipment;
- Warning and alert notification systems;
- Response and communication equipment;
- Properties that are subject to pending litigation; and
- Legal procedures related to litigation for an approved application or subapplication.

INELIGIBLE PLANNING ACTIVITIES:

- Flood studies or flood mapping;
- Risk assessments, technical assistance, information dissemination or workshops not resulting in a FEMA-approved Flood

Mitigation Plans that meet the planning criteria outlined in 44 CFR Part 78.

ELIGIBLE TECHNICAL ASSISTANCE ACTIVITIES:

- Solicitation, review, and processing of subapplications;
- Assistance to subapplicants for engineering feasibility, BCA, and Environmental and Historic Preservation documentation;
- Geo-coding mitigation projects;
- Managing grants;
- Technical monitoring;
- Plan reviews and planning workshops;
- Computer or GIS equipment (up to 15%); and
- State FMA Point-of-Contact's salary, and his/her FMA related training and travel expenses.

Cost-share:

75% Federal/25% non-Federal. Of this amount, not more than one half may be provided from in-kind contributions.

- Mitigation Plan;
- Ground disturbing activities; and
- Non-flood planning activities.

ELIGIBILITY REQUIREMENTS

APPLICANT ELIGIBILITY:

Only the following entities are eligible to apply to FEMA as Applicants: State emergency management agencies or a similar office (*i.e.*, the office that has primary emergency management or floodplain management responsibility) of the State; the District of Columbia; the US Virgin Islands; the Commonwealth of Puerto Rico; Guam; American Samoa; the Commonwealth of the Northern Mariana Islands; and Federally-recognized Indian tribal governments. Each State, Territory, or tribal government shall designate one agency to serve as the Applicant for the FMA program.

SUBAPPLICANT ELIGIBILITY:

State-level agencies; Federally-recognized Indian tribal governments; and local communities (to include State-recognized Indian tribes, authorized Indian tribal organizations, and Alaska Native villages) are eligible to apply to the Applicant for assistance. Private individuals and private non-profit (PNP) organizations are **not** eligible subapplicants; however, a relevant State agency or local community may apply to the Applicant for assistance to mitigate private or PNP structures.

APPLICATION PROCESS

APPLICATION PROCESS:

FEMA requires Applicants to use the Electronic Grant Management System (*eGrants*). Only FMA grant applications submitted through *eGrants* will be accepted. If a subapplicant does not use the *eGrants* system, the Applicant **must** enter the subapplicants paper subapplication(s) into *eGrants* on their behalf using the Paper subapplication Intake function. Planning and Project subapplications that follow the *eGrants* format are available for subapplicants to print from the *eGrants* website. Applicants may provide paper supporting documentation that cannot be electronically attached to the *eGrants* application (*e.g.*, engineering drawings, photos, maps, etc.). **FEMA must receive the entire application by the application deadline, including any hard copy documentation.**

BENEFIT-COST ANALYSIS:

A Benefit-Cost Analysis (BCA) is required for all mitigation project subapplications and must be completed by Applicants/subapplicants. A BCA will be required for all properties, including substantially damaged structures. The pilot alternate determination of cost-effectiveness may be used for certain insured NFIP repetitive flood loss properties.

KEY POINTS

NFIP PARTICIPATION:

All Applicants and subapplicants must be participating in the National Flood Insurance Program (NFIP), and must not be on probation, suspended or withdrawn from the NFIP. FMA funds shall not be awarded for activities in non-participating communities. Properties in all FMA projects must be NFIP insured at the time of project application and flood insurance must be maintained at least through completion of the mitigation activity.

MITIGATION PLAN REQUIREMENT:

To be eligible for Project grants, an eligible subapplicant must develop, and have approved by the FEMA Regional Administrator, a Flood Mitigation Plan in accordance with 44 CFR Part 78, at a minimum, by the close of the application period.

KEY POINTS

eGRANTS:

FEMA offers technical assistance regarding the *eGrants* system through the *eGrants* Helpdesk: 1-866-476-0544 or mtgrants@dhs.gov

PROJECT TECHNICAL ASSISTANCE HELPLINE:

Phone:

(866) 222-3580

E-mail:

enghelpline@dhs.gov

bchelpline@dhs.gov

ehhelpline@dhs.gov

PROJECT TECHNICAL ASSISTANCE:

Technical assistance for Engineering Feasibility, Benefit-Cost Analysis, and Environmental/Historic Preservation compliance is available through the FEMA Technical Assistance Helplines.

APPLICATION DEADLINES**APPLICATION TIMELINE:**

Grant applications for FMA program funds must be received in eGrants **by March 31, 2008, 11:59.59 p.m., Eastern Standard Time.** Funds will be returned to FEMA Headquarters if any State/Territory does not submit applications for the full amount of its Target Allocation by March 31, 2008.

Eligible Applicants are encouraged to submit applications for funds in excess of their Target Allocation for Project activities, which will then be considered for additional FMA funding.

KEY POINTS**APPLICATION DEADLINE:**

The deadline for States, Territories and tribal governments to submit grant applications to FEMA is **March 31, 2008. No applications for FMA grants will be accepted after this deadline.**

SECTION 1 GRANT APPLICATION GUIDANCE

1.1 PURPOSE

The Flood Mitigation Assistance (FMA) grant program provides funding to States, Federally-recognized Indian tribal governments, and communities so that cost-effective measures are taken to reduce or eliminate the long-term risk of flood damage to buildings, manufactured homes, and other structures insured under the National Flood Insurance Program (NFIP). The long-term goal of FMA is to reduce or eliminate claims under the NFIP through mitigation activities. Three types of grants are available under FMA: Planning, Project, and Technical Assistance.

1.1.1 APPLICATION CONSIDERATION UNDER OTHER MITIGATION GRANT PROGRAMS

FEMA may determine that subapplications submitted under a specific grant program and not funded under the requested grant program may be considered by another mitigation grant program(s) when the following requirement is met:

- **Applicants must include a statement in their grant application under the “Comments for FEMA” field in eGrants** indicating their interest to have its subapplications considered for another mitigation grant program (specify the additional mitigation grant program(s) and corresponding CFDA number(s)).

FEMA may request additional information from the Applicant. The Applicant must provide all requested information within the specified timeframe. Examples of other mitigation assistance programs include the Pre-Disaster Mitigation Program (PDM) and the Repetitive Flood Claims (RFC) Program. **This option is not available under the Severe Repetitive Loss (SRL) Program.**

1.2 AUTHORIZATION AND APPROPRIATION

The FMA program is subject to the availability of appropriation funding, as well as any directive or restriction made with respect to such funds.

1.2.1 AUTHORIZATION

The FMA grant program was created pursuant to Section 1366 of the National Flood Insurance Act of 1968 (NFIA, or “the Act”), 42 USC 4104c, as amended by the National Flood Insurance Reform Act of 1994 (NFIRA), Public Law 103-325, and the Bunning-Bereuter-Blumenauer Flood Insurance Reform Act of 2004, Public Law 108-264, with the goal of reducing or eliminating claims under the NFIP. FMA regulations are in 44 Code of Federal Regulations (CFR) Part 78. The Catalog of Federal Domestic Assistance (CFDA) number is 97.029.

1.2.2 APPROPRIATION

The primary funding source for the National Flood Mitigation Fund (NFMF) is the National Flood Insurance Fund (NFIF). The FMA program is *subject to the availability of*

appropriation funding and is dependent upon the amount available for transfer from the NFIP through offset collections assessed and collected under the NFIP. FEMA will notify States and Territories of their Target Allocations, and will post the total amount of available funds on the FEMA website at <http://www.fema.gov/government/grant/fma/index.shtm>. The allocation formula provides \$110,000 base allocations to each State with surplus amounts allocated based on the total number of NFIP insurance policies and the total number of repetitive loss properties within each State/Territory. ***Repetitive Loss Properties are defined under the NFIP as any property for which two or more flood insurance claims have been paid for more than \$1,000 within any rolling 10-year period since January 1, 1979.***

1.3 GRANT PROGRAM ELIGIBILITY

1.3.1 ELIGIBLE APPLICANTS

Only the following entities are eligible to apply to FEMA for assistance: State emergency management agencies or a similar office (*i.e.*, the office that has primary emergency management or floodplain management responsibility) of the State; the District of Columbia; the US Virgin Islands; the Commonwealth of Puerto Rico; Guam; American Samoa; the Commonwealth of the Northern Mariana Islands; and Federally-recognized Indian tribal governments. Each State, Territory, or Tribal government shall designate **one** agency to serve as the Applicant for the FMA program. If an agency is not designated for any of these entities, a local community may apply directly to FEMA for assistance as specified under 44 CFR Part 78, *Alternative Procedures*.

Consistent with FEMA policy and 44 CFR, *Government-to-Government Relations with American Indian and Alaska Native Tribal Governments*, published in the January 12, 1999, issue of the Federal Register, Federally-recognized Indian tribal governments may choose to apply for FMA grants either through the State as a subapplicant or directly to FEMA as an Applicant. This choice is independent of a designation under other FEMA grants and programs. Some State regulations prohibit the State from acting as an Applicant for an Indian tribe. In such cases, or if the Indian tribe chooses, the tribal government may act as an Applicant. If awarded, the tribal government therefore assumes the full responsibilities of a Grantee for the purposes of administering the grant. FEMA has determined that the unique status of Federally-recognized Indian tribal governments justifies providing this option to apply directly to FEMA. However, when legally permitted, tribal governments are encouraged to continue existing relationships with the State.

1.3.2 ELIGIBLE SUBAPPLICANTS

The following entities are eligible to apply to the Applicant for assistance:

- State-level agencies;
- Federally-recognized Indian tribal governments including State-recognized Indian tribes, authorized Indian tribal organizations, and Alaska Native villages; and
- Local communities.

Certain non-participating political subdivisions (*e.g.*, Councils of Governments, Regional Planning Commissions, or County governments) may apply and act as subgrantee on behalf of the NFIP-participating community in areas where the political subdivision provides zoning

and building code enforcement, or planning and community development professional services for that community. Only those NFIP-participating communities or Federally-recognized Indian tribal governments that are not suspended or withdrawn from the NFIP are eligible to receive FMA grant funds. Private non-profit (PNP) organizations and individuals are not eligible subapplicants; however, a relevant State agency or local community may apply to the Applicant for assistance to mitigate privately-owned or PNP-owned properties.

1.3.3 PROGRAM REQUIREMENTS

1.3.3.1 NATIONAL FLOOD INSURANCE PROGRAM (NFIP)

All subapplicants **must** be participating in the NFIP, and must not be on probation, suspended, or withdrawn from the NFIP, to be eligible to apply for FMA funds and to act as subgrantee. Certain non-participating political subdivisions (*e.g.*, Councils of Governments, Regional Planning Commissions, or County governments, etc.) may apply and act as subgrantee on behalf of the NFIP-participating community in areas where the political subdivision provides zoning and building code enforcement, or planning and community development professional services for that community.

FMA funds shall not be used to support Planning measures, Project activities, or Technical Assistance for communities that are not participating in the NFIP. In addition, FMA funds awarded for multi-jurisdictional Planning subapplications or Project subapplications may only be used for activities within jurisdictions that are participating in the NFIP and not on probation, suspended, or withdrawn from the NFIP.

Properties in all FMA projects must be NFIP insured at the time of project application and flood insurance must be maintained at least through completion of the mitigation activity or, for acquisition projects, until the transfer of ownership. For structures that remain in the SFHA, flood insurance must be maintained for the life of the structure. Minor physical flood mitigation projects that reduce localized flooding problems must reduce or eliminate the risk of flood damage to buildings, manufactured homes, and other structures insured under the NFIP (See *Section 4.3, Mitigation Project Requirements*).

1.3.3.2 PRIVACY OF REPETITIVE LOSS DATA

State NFIP Coordinators may access a version of BureauNet called Data Exchange. In addition, the State Hazard Mitigation Officer and other approved State staff, may access an internet portal called Simple Quick Access (SQANet) developed as part of the FEMA NextGen project. Both of these data systems now allow the State to access and download current claims, policy and repetitive loss data. However, communities cannot access either of these systems and it is the responsibility of State or FEMA Regional staff to provide claims, policy and repetitive loss property information to the communities. States may access this sensitive data and may provide it directly to community governments on the basis of their status as an approved category of users. Use of the data by this approved category of users is limited to mitigation planning, research, analysis, and feasibility studies consistent with the NFIP and uses that further the floodplain management and hazard mitigation goals of the States and FEMA. These uses are authorized pursuant to notices published in the Federal Register, most recently on January 23, 2002. State staff wishing to gain access to sensitive NFIP data may request a

login ID and Password for SQANet by visiting <http://www.nfipnextgen.com> and then clicking on the SQANet Pilot link and then selecting the “click here to sign up” option.

When BureauNet and SQANet records are accessed by States, they are advised of the sensitive nature of the information and the need to protect the release of the data to unauthorized users. When the data is released to a community by either the State or the FEMA Regions, the recipient must be notified in writing that the records relating to individuals and individual properties are being made available through the FEMA routine use policy for the specific purposes of mitigation planning, research, analysis and feasibility studies consistent with the NFIP and for uses that further the floodplain management and hazard mitigation goals of the States and FEMA and that the records are protected pursuant to the Privacy Act of 1974 (5 USC 552a). Records must not be publicly disclosed. FEMA shares this information at its discretion and may choose not to provide this information in the future to States or communities if it finds unauthorized uses of this information have been made.

1.3.3.3 NON-DISCRIMINATION

Like other FEMA mitigation programs, the FMA program must be administered in an equitable and impartial manner, without discrimination on the grounds of race, color, religion, nationality, sex, age, economic status, disability, or language. The FMA program complies with Section 308 of the Stafford Act and Title VI of the 1964 Civil Rights Act. All Applicants/Grantees must comply with Title VI, including State and local governments distributing Federal assistance.

In implementing the FMA program, Applicants and subapplicants will ensure that no discrimination is practiced. Applicants must consider fairness, equity, and equal access when prioritizing and selecting subapplications to submit with their FMA application. Subapplicants must ensure fairness and equal access to homeowners and individuals that benefit from grant activities.

1.3.3.4 COST-EFFECTIVENESS

Project subapplications must demonstrate cost-effectiveness through a BCR of 1.0 or greater (See *Section 4.6, Cost Effectiveness*).

1.3.3.5 GEOCODING MITIGATION PROJECTS

The location of all approved mitigation projects funded by the FMA program must be geocoded using standard datum prior to award (See *Section 4.9, FEMA Pre-award Activities*). The guidance for Geocoding Mitigation Data is available online from the FEMA Information Resources Library:

<http://www.fema.gov/library/viewRecord.do?id=1849> and from the FEMA Regional Office.

1.3.4 PROGRAM RESTRICTIONS

1.3.4.1 DUPLICATION OF PROGRAMS

FEMA will not provide assistance under the FMA program for activities that it determines another Federal program has a more specific or primary authority to provide.

FEMA also will not provide assistance for the Applicant or subapplicant's legal obligations. FEMA may disallow or recoup amounts that duplicate other authorities.

1.3.4.2 DUPLICATION OF BENEFITS

FMA grants may not duplicate benefits received by, or available to, the Applicant or subapplicant from a participating person's or entity's insurance, other assistance programs, legal awards, or any other resource to address the same purpose. An Applicant must notify FEMA of all benefits that are received or anticipated by the Applicant or subapplicant from other sources for the same purpose, and Applicants and subapplicants must seek all such benefits available to them. FEMA will reduce the FMA grant by the amounts available for the same purpose from another source.

If FEMA provides assistance under this program when other benefits are available, the Grantee will be liable to FEMA for any duplicative amounts that are received from other sources, and must reimburse FEMA for such amounts.

1.3.4.3 CONFLICT OF INTEREST

Applicants and subapplicants must avoid conflicts of interest and subapplicants must comply with the procurement guidelines identified in 44 CFR Part 13.36. Among other requirements, 44 CFR Part 13.36 urges subapplicants to avoid situations where local officials with oversight authority might benefit financially from the grant disbursement. Applicants must comply with guidelines for awarding and administering subgrants as specified under 44 CFR Part 13.37.

1.3.4.4 FUNDING LIMITS

FEMA distributes FMA funds to States that, in turn, provide funds to communities. The State serves as the Grantee and program administrator for the FMA.

The total amount of FMA project grant funds provided during any 5-year period will not exceed \$10,000,000 to any State agency(s) or \$3,300,000 to any community. The total amount of project grant funds provided to any State, including all communities located in the State will not exceed \$20,000,000 during any 5-year period. The Administrator may waive the limits of this subsection for any 5-year period when a major disaster or emergency is declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act for flood conditions.

1.3.4.5 COST OVERRUNS AND COST UNDER-RUNS

FEMA will generally not consider an Applicant's request for additional FMA funds to pay for overruns incurred after an FMA grant is awarded. However, Grantees may use cost under-runs (*i.e.*, unexpended funds) remaining after the expiration of the performance period for a given subgrant to pay for cost overruns incurred under another subgrant funded and included in the same grant award.

1.3.4.6 PRE-AWARD COSTS

Eligible project costs incurred prior to the grant award, but after the FMA application period has opened, are identified as pre-award project costs. FEMA may allow pre-award project costs at its discretion and as funds are available. Applicants and

subapplicants may be reimbursed for pre-award costs **incurred after the publication of the FMA Guidance for activities directly related to the development of the project proposal**. Activities may include, but are not limited to, development of the BCA and Environmental/Historic preservation data and documentation and engineering design. Pre-award project costs must be identified as separate line items in the Cost Estimate for the project subapplication. Pre-award project costs associated with implementation of the project started prior to award will not be eligible.

In lieu of requesting pre-award costs, Applicants and subapplicants may submit eligible costs incurred prior to award but after the FMA application period has opened as their non-Federal cost share.

1.4 ELIGIBLE ACTIVITIES AND ASSOCIATED COSTS

Mitigation plans and projects must be long-term, feasible, and meet all requirements referenced in the FMA Guidance. Projects also must demonstrate cost-effectiveness.

The following are eligible activities for the FMA program:

- Mitigation planning activities (See *Section 3, Mitigation Planning Subapplication Guidance*);
- Mitigation project activities (See *Section 4, Mitigation Project Subapplication Guidance*); and
- Applicant technical assistance (See *Section 2, Applicant Technical Assistance*).

1.5 INELIGIBLE ACTIVITIES

FMA Planning, Project and Technical Assistance applications must meet all requirements referenced in the FMA Guidance, as well as 44 CFR Part 78. Specific ineligible mitigation planning activities are listed in *Section 3.2, Ineligible Planning Activities and Costs*. Ineligible project activities are listed in *Section 4.2, Ineligible Project Activities and Costs*.

1.6 APPLICATION PROCESS

1.6.1 FMA APPLICATION TIMELINE

Eligible Applicants will receive notice of their State/Territory Target Allocations with the issuance of this Guidance. Grant applications for FMA funds must be received in eGrants by **March 31, 2008, 11:59.59 p.m., Eastern Standard Time**.

Any eligible Applicant may submit subapplications for funds in excess of their Target Allocation. After the application deadline, FEMA will commit funds to eligible Applicants against State Target Allocations. All remaining funds will be returned to FEMA Headquarters for consideration under a National Evaluation (See *Section 1.8.4, National Evaluation*). **No applications will be accepted (i.e., either for Target Allocations or in excess of Target Allocations) after the application deadline.**

FEMA recognizes this timeline for FMA applications is more aggressive than in past years. Applicants should be advised to adjust their application solicitation, development, review, approval, and submission timelines accordingly. Subapplicants should consult the official

designated point of contact in their State, Territory, or Indian tribe for more information regarding the application process. States, Territories, or Indian tribes may establish an earlier deadline for subapplications in order to allow time to review and prioritize them and to enter grant applications into *eGrants*.

1.6.2 FEMA'S ELECTRONIC GRANTS SYSTEM

Applicants **must** use FEMA's web-based Electronic Grants Management System (*eGrants*), accessible on the Internet at <https://portal.fema.gov>, to submit their FMA applications. Because of differing performance periods for each grant type, Applicants must submit separate applications in *eGrants* for Planning, Project, and Technical Assistance grants. Only FMA grant applications submitted through *eGrants* will be accepted.

The electronic process replaces the paper-based process by electronically transmitting the subapplicant's Planning or Project subapplication to the Applicant for review. The Applicant may electronically attach the subapplication to the overall State/Territory grant application for submission to FEMA. FEMA uses the *eGrants* system to monitor ongoing performance, manage the flow of Federal funds, and close out the grant award when all work is completed.

If a subapplicant does not use *eGrants*, the Applicant **must** enter the subapplicant's paper subapplication into *eGrants* on their behalf using the Paper Subapplication Intake function. Planning and Project subapplications that follow the *eGrants* format are available for subapplicants to print from the *eGrants* website.

FEMA has developed the *eGrants* system to meet the intent of the e-Government initiative authorized by Public Law 106–107, passed on November 20, 1999. This initiative requires that all government agencies both streamline the grant application processes and provide the means to electronically create, review, and submit a grant application via the Internet. Use of the *eGrants* system will expedite FEMA's review and evaluation of applications for the FMA program.

FEMA's *eGrants* system incorporates all elements of the FMA application in a user-friendly format for both Applicants and subapplicants. The *eGrants* system provides a web-based auto-fill format for all of the required Federal Forms and all of the necessary information required for a complete grant application, including the Application for Federal Assistance, Standard Form (SF) 424; Budget Information – Non-Construction Program, FEMA Form (FF) 20-20; Summary Sheet for Assurances and Certification, FF 20-16; Assurances – Non Construction Program, FF 20-16A; Assurances-Construction Programs, FEMA Form 20-16B; Certification Regarding Lobbying, Debarment, Suspension and other Responsible Matters; and Drug-Free Workplace Requirements, FF 20-16C; Disclosure of Lobbying Activities, SF LLL; and subapplications identifying the activities for which FMA Planning, Project, or Technical Assistance funding is requested.

Applicants shall provide a hard copy of any supporting documentation that cannot be electronically attached to the *eGrants* application (*e.g.*, engineering drawings, photos) to the appropriate FEMA Regional Office. However, **FEMA must receive the entire application by the application deadline, including any hard copy documentation.**

1.6.3 APPLICANT REVIEW OF SUBAPPLICATIONS

Applicants should review all project sub-applications for eligibility, completeness, and consistency with the Applicant's State Standard/Enhanced hazard mitigation plan (See *Section 4.3, Mitigation Project Requirements*) prior to inclusion in the grant application.

1.6.4 GRANT APPLICATION CHECKLIST

Applicants must provide the following in their FMA grant application in order to be eligible for consideration:

- **Applicant Information:** Provide name, Grant type, and State of the Applicant, State and Federal tax numbers, Federal Employer Identification Number, DUNS number. Indicate whether the Applicant has a Smartlink account, whether the application is subject to review by the Executive Order 12372 process, (select "Program is not covered by E.O. 12372" in *eGrants*), and whether the Applicant is delinquent on any Federal debt;
- **Contact Information:** Provide the name, agency, and address for the point of contact for the grant application;
- **Subgrant Applications:** Include the total number of subapplications for eligible project activities that the Applicant has reviewed and approved in *eGrants* (See <http://www.fema.gov/government/grant/egrants.shtml>). A separate Technical Assistance subapplication must be submitted for Applicant Technical Assistances;
- **Schedule:** Provide the title of the grant application and the overall projected performance period for the grant, and ensure that the work schedule for each subapplication included with the grant application is appropriate, *Section 3.4, Scope of Work*;
- **Budget:** Ensure that the requested Cost Estimate for each subapplication is acceptable and provide the grant budget class for each item. Provide an Approved Indirect Cost Agreement, if applicable;
- **Properties:** Ensure that all of the properties in each project subapplication are included and eligible for funding, if applicable; and
- **Assurance and Certifications:** Complete the Assurances. Non-Construction Programs, [FEMA Form 20-16A](#), if applicable; Certification Regarding Lobbying; Assurances-Construction Programs, FEMA Form 20-16B; Debarment, Suspension and Other Responsible Matters; and Drug-Free Workplace Requirements, [FEMA Form 20-16C](#); and Disclosure of Lobbying Activities, [Standard Form LLL](#), if applicable.

1.7 COST SHARE REQUIREMENTS

FEMA may contribute up to 75% of the total amount approved under the grant award to implement approved activities. At least 25% of the total eligible costs must be provided from a Non-Federal source; *of this amount, not more than one half will be provided from in-kind contributions.*

1.7.1 NON-FEDERAL COST SHARE

The non-Federal cost share must be in direct support of the approved activities and must be an eligible cost for FMA funding. Of the total non-Federal share, not more than one-half may be provided from in-kind contributions. In lieu of requesting pre-award costs,

Applicants and subapplicants may submit eligible costs incurred prior to award, but after the FMA application period has opened, as their non-Federal cost share.

FMA funds retain their Federal identity and **cannot** be used as cost share for another Federally funded activity. In addition, non-Federal cost share funds for the FMA program **cannot** be used as cost share for other Federal grant programs. In general, the non-Federal cost share may not include funds from other Federal agencies, except for Federal funds that have authorizing statutes that explicitly allow the funds to be used as a cost share for other Federal grants. Examples include:

- Department of Housing and Urban Development Community Development Block Grant (CDBG) monies may be used as cost share for property acquisition projects as long as the projects are eligible under the CDBG program;
- The US Small Business Administration loan funds and the US Department of Agriculture's Farm Service Agency loan funds, which lose their Federal identity once the loan is approved, may be used as a cost share;
- Indian Health Services funds may be used as cost share for FMA funds as long as the mitigation activity "contributes to the purposes for which grants...are made" under the Indian Health Services statute;
- Bureau of Indian Affairs funds may be used as cost share;
- Appalachian Regional Commission funds may be used as cost share, per Section 302(a)(3) of the Appalachian Regional Development Act of 1965;
- Funds derived from Title III of the Secure Rural Schools Act (P.L. 106-393) may be used as cost share, so long as the use also is consistent with the purposes of that Act; and
- The NFIP Increased Cost of Compliance (ICC) claim payment from previous flood events may be used to meet the non-Federal cost share requirements, to the extent that the period for making such a claim remains open.

1.7.2 COST SHARE DOCUMENTATION

Requirements for in-kind contributions can be found in 44 CFR Part 13.24, including the requirement that this documentation is to be held in the Applicant and subapplicant records. In-kind contributions must be comprised of eligible program costs. The following documentation is required for third-party cash and in-kind contributions:

- Record of donor;
- Dates of donation;
- Rates for staffing, equipment or usage, supplies, etc.;
- Amounts of donation; and
- Deposit slips for cash contributions.

1.8 FEMA REVIEW AND AWARDS

1.8.1 FEMA REVIEW & NATIONAL EVALUATION

After the application deadline, FEMA will review all subapplications to ensure eligibility and completeness (See *Section 3.1, Eligible Planning Activities*, *Section 4.1, Eligible Project Activities and Associated Costs*, and *Section 2.1. Eligible Technical Assistance Activities*). FEMA will commit funds to eligible Applicants against State target allocations. FEMA Headquarters will then receive and review, in cooperation with FEMA Regional Offices in the form of a National Evaluation Panel, eligible subapplications submitted in excess of Target Allocations. A specified date for this National evaluation will be set based on nature and amount of potential reallocations. The remaining funds will be awarded to activities that are in the best interest of the National Flood Insurance Fund (NFIF) as demonstrated by a FEMA validated BCR.

1.8.2 ELIGIBILITY AND COMPLETENESS REVIEW

FEMA will review all project subapplications to ensure the following criteria are met. Project subapplications that do not satisfy the Eligibility and Completeness requirements will not be considered under the FMA program. Comments may be provided by the Regional Office so that Applicants and/or subapplicants can modify their subapplication for future use.

- Eligibility of the Applicants/subapplicants;
- Eligibility of proposed activities and properties;
- Completeness of SOW;
- Completeness of the Cost Estimate documentation and consistency with the SOW;
- State/tribal planning requirements are met, and consistency of mitigation projects with the Applicant's State/tribal hazard mitigation plan and local/tribal hazard mitigation plan;
- Feasibility and effectiveness of mitigation projects including complete supporting documentation;
- Benefit-cost ratio of 1.0 or greater for the proposed mitigation project; and
- Supporting documentation and inclusion of appropriate environmental mitigation measures and historic property treatment measures in the Cost Estimate. Also, verification that property owners have been notified of the potential historic significance of their FMA property if required.

1.8.3 BENEFIT-COST TECHNICAL REVIEW

FEMA will verify the BCAs for proposed FMA mitigation projects to ensure that projects have a BCR of 1.0 or greater. Project subapplications with a BCR of less than 1.0 may be removed from consideration.

The benefit-cost review will be based on the documentation provided in the project subapplication. Projects where the BCA is inadequately documented or where critical data or sources appear unreasonable may be removed from consideration.

1.8.4 NATIONAL EVALUATION

In the event of a National Evaluation for FMA, National panels chaired by FEMA and composed of representatives from FEMA Headquarters and Regions will convene to evaluate the mitigation project subapplications. Evaluators will score subapplications based on

predetermined qualitative factors (see table below) to calculate a National Evaluation Score for each subapplication.

FEMA will ensure that panel evaluations are conducted consistently and fairly with no conflicts of interest. All mitigation project subapplications will be granted equal consideration during the National Evaluation. Applicant Technical Assistance subapplications will not be scored but will be awarded based on project subapplications awarded for each Applicant. After the National Evaluation is completed, all subapplications will be sorted in descending order based on the National Evaluation Scores.

FY 2008 FMA NATIONAL EVALUATION CRITERIA	RELATIVE WEIGHT IN FINAL SCORING
Strategy for and identification of appropriate and useful performance measures to assure the success of the proposed mitigation activity	35%
Sufficient staff and resources for implementation of the proposed mitigation planning process or proposed mitigation project	18%
Project sub-application demonstrates that the proposed mitigation activity reduces the overall risks to the population and structures	25%
Durability of the financial and social benefits that will be achieved through the proposed mitigation project	20%
Protection of critical facilities	2%
TOTAL POINT VALUES	100%

1.8.4.1 RECONSIDERATION OF NATIONAL EVALUATION RESULTS

At its discretion, FEMA may review a decision regarding a planning or project subapplication that does not meet FMA requirements only where there is an indication of material, technical, or procedural error that may have influenced FEMA's decision. As FMA grants during National Evaluation are awarded on a competitive basis, FEMA will not consider new information provided in the request for reconsideration. FEMA encourages Applicants to incorporate any new information into applications for future grant cycles. There will be no reconsideration regarding the amount of Applicant Technical Assistance (See *Section 2, Applicant Technical Assistances*). In addition, Applicants who are not awarded any FMA funds may not receive reimbursement for technical assistances.

Applicants must send requests for reconsideration based upon material, technical, or procedural error to the FEMA Regional Administrator within 60 calendar days from the date of the FEMA notification letter to the Applicant. The Regional Administrator will analyze the reconsideration request and make a recommendation to the Assistant Administrator of the Mitigation Directorate at Headquarters or his designee. FEMA's decision to uphold or overturn a decision regarding a subapplication that does not meet FMA requirements is final.

A small percentage of funds will be set aside to fund additional planning and project

subapplications after reconsideration requests have been analyzed. FEMA may convene a panel to determine the National Evaluation Score, if necessary, for any subapplications that FEMA overturns a decision. Overturned subapplications and the remaining eligible planning and project subapplications will be sorted by National Evaluation Score, and the highest scored subapplications will be selected for further review up to the amount of funds available. Remaining funds may be used to fund additional eligible subapplications on the waiting list or returned to the National FMA Fund for use in the next grant cycle.

1.8.5 FEMA PRE-AWARD ACTIVITIES

FEMA Regional Offices will notify and work with Applicants who have subapplications selected for further review to implement required pre-award activities. These activities may include but are not limited to environmental and historic preservation review, verification of Applicant and subapplicant commitments, and an understanding of grant terms. In addition, FEMA will ensure that the Applicant has met all reporting requirements for FEMA-State grant awards currently in progress:

- FEMA may, at its discretion, request information or documentation from Applicants to support certain project subapplications as part of pre-award activities. Applicants must respond to requests for information from the FEMA Regional Office within the timeframe specified by the region;
- Applicants with project subapplications selected for further review will be notified of the date by which all pre-award activities must be completed; and
- FEMA will complete the Environmental/Historic Preservation review for projects selected for further review as part of pre-award activities. **Funds will not be awarded and the Applicant /subapplicant may not initiate the project until FEMA has completed its review.** Additional compliance information for the Environmental/Historic Preservation review is available at: <http://www.fema.gov/plan/ehp/ehp-applicant-help.shtm>.

1.8.6 AWARDS

Regional Offices will provide an award package to Applicants for approved subapplications once pre-award activities are completed. The award package must be signed by the Applicant and returned to FEMA before funds can be awarded. **The Applicant must agree to abide by the grant award terms and conditions as set forth in this Guidance and in the FMA Agreement Articles** available on FEMA's FMA web page: http://www.fema.gov/government/grant/fma/fma_fy07_articles.shtm or from the FEMA Regional Offices.

1.9 PERFORMANCE PERIOD

The performance period is the period of time during which the Grantee is expected to complete the grant activities and to incur and expend funds approved for the FMA grant. The performance period for the grant shall begin on the date that the grant is awarded and end on the last day of the performance period of the longest subgrant awarded to the Grantee. The performance period is specified in the **FMA Agreement Articles**, available on FEMA's FMA web page: http://www.fema.gov/government/grant/fma/fma_fy08_articles.shtm or from the FEMA Regional Offices.

Performance periods for subgrants begin on the date that the subgrant is awarded to the Grantee by FEMA. A performance period is assigned to every subgrant and the Grantee is responsible to monitor progress of each subgrant to ensure timely progress and closeout. Requests for extensions to the performance period will be considered but will not be approved automatically.

Performance periods for FMA Planning subgrants are limited by statute to a period not to exceed three years. Planning subapplications that exceed three years will not be approved for FMA funding (See 44 CFR Part 78). Mitigation Plans shall be reviewed, adopted, and FEMA-approved before the end of the performance period (See *Section 3.3, Mitigation Plan Requirements*). Performance periods for FMA project subgrants are limited to a performance period not to exceed three years. Project subapplications that propose a work schedule in excess of three years will not be accepted.

The Grantee has up to 90 days following the expiration of the performance period to liquidate valid expenditures incurred during the performance period. Cost under-runs remaining after the performance period expiration date must be reported to FEMA for de-obligation.

1.10 EXTENSIONS

Requests for extensions to the performance period will be considered but will not be approved automatically. In accordance with FEMA's Financial and Acquisition Management Division Extension Policy, the Regional Office may extend the performance period up to one year. Requests for a period of performance extension must be submitted in writing to the Regional Administrator and must be supported by adequate justification in order to be processed. This justification is a written explanation of the reason or reasons for an extension and must demonstrate that work is in progress and will be completed within the extended period of performance. The justification must address the following areas to enable the review of extension request:

- **Submission Date:** The request must be submitted **at least 60 calendar days prior** to the expiration date of the performance period;
- **Reason for Delay:** Identify the status of the activity, including the original approved period of performance, and give a brief description for the delay (*i.e.*, weather conditions);
- **Budget:** Identify the remaining funds, both FEMA share and cost share match, available for the extended period and outline how the funds will be used. Identify sources of additional funding if remaining FEMA funds and cost share will not support the extension request;
- **Plan for Completion:** Identify the objectives necessary to complete the activity, completion date for each objective, and list the position/person responsible for oversight of completion of the activity;
- **Completion Date:** Identify the projected completion date (new period of performance end date) for the activity; and
- **No change of scope:** Provide a certification that the activity will be completed within the extended period without any modification to the original Scope of Work approved by FEMA.

If a second performance period extension becomes necessary, then the Grantee must submit an additional formal written request to the FEMA Regional Administrator. As with the first request,

the second extension request must be made **at least 60 calendar days prior** to the expiration of the period of performance and must include a justification for the extension that addresses the items noted above. The Regional Office will make a recommendation and submit the second request to the Senior Procurement Executive at FEMA Headquarters, who will review the request in coordination with the Headquarters Mitigation Directorate.

Should any subgrant performance period be extended past the grant performance period, the grant performance period would be extended as well. This grant extension would be established so that all completed subgrants are closed out within their individual performance periods. The total extended period of performance for planning subgrants shall not exceed three years. The total extended period of performance for project subgrants shall not exceed five years.

1.11 REPORTING REQUIREMENTS

The following reports are required from Grantees:

1.11.1 FEDERAL CASH TRANSACTION REPORTS

If the Grantee uses the Department of Health and Human Services (DHHS), Division of Payment Management, Payment Management System-SMARTLINK, the Grantee shall submit to FEMA a copy of the SF 272, Federal Cash Transaction Report submitted to the Department of Health and Human Services (DHHS).

1.11.2 FINANCIAL STATUS REPORTS

The Grantee shall submit Financial Status Reports, FF 20-10, to the FEMA Regional Office within 30 days from the end of the first Federal quarter following the initial grant award. The Regional Administrator may waive the initial report. The Grantee shall submit Quarterly Financial Status Reports thereafter until the grant ends. Reports are due on January 30, April 30, July 30, and October 30.

Quarterly Financial Status Reports will be available for completion using the *eGrants* system. Financial reports must include the activity name or other identification, expenditures, and payment-to-date information (reference 44 CFR Part 13.40, *Monitoring and Reporting* for additional information).

The Regional Administrator may suspend drawdowns from the HHS/Payment Management System-SMARTLINK if quarterly financial reports are **not** submitted on time.

1.11.3 PERFORMANCE REPORTS

The Grantee shall submit performance reports for each grant award to the FEMA Regional Office within 30 days from the end of the first Federal quarter following the initial grant award. The Regional Administrator may waive the initial report. The Grantee shall submit quarterly performance reports thereafter until the grant ends. Reports are due on January 30, April 30, July 30, and October 30. Quarterly Performance Reports will be available for completion using the *eGrants* system. Performance reports must include the activity name or other identification as well as information to:

- Describe significant activities and developments that have occurred that show progress during the quarter, including a comparison of actual accomplishments to the work schedule objectives established in the subapplication;

- Indicate whether completion of work is anticipated within the performance period. If not, describe any problems, delays, or adverse conditions that will impair the ability to meet the stated objectives in the subapplication; and
- Indicate whether cost under-run/cost overrun, change of scope request, or request for extension of performance period are anticipated.

1.11.4 FINAL REPORTS

The Grantee shall submit a Final Financial Status Report and Performance Report within 90 days from Grant Award Performance Period expiration date as required under 44 CFR Part 13.50. Final Financial and Performance Reports must be submitted using the eGrants system.

1.12 CLOSEOUT

The Grantee has up to 90 days following the expiration of the grant performance period to liquidate valid expenditures incurred during the performance period. Cost under-runs remaining after the performance period expiration date must be reported to FEMA for de-obligation.

1.13 REGIONAL CONTACT INFORMATION

Contact information for FEMA Regional Offices is provided on the FEMA website: <http://www.fema.gov/about/contact/regions.shtm> and also is listed here for your information.

FEMA Region I - Serving Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont: 99 High Street, 6th Floor, Boston, MA 02110-2356. (617) 956-7506

FEMA Region II - Serving New York, New Jersey, Puerto Rico, and the US Virgin Islands: 26 Federal Plaza, Suite 1337, New York, NY 10278-0001. (212) 680-3600

FEMA Region III - Serving the District of Columbia, Delaware, Maryland, Pennsylvania, Virginia, and West Virginia: 615 Chestnut Street, One Independence Mall, Sixth Floor, Philadelphia, PA 19106-4404. (215) 931-5608

FEMA Region IV - Serving Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee: 3003 Chamblee Tucker Road, Atlanta, GA 30341-4112. (770) 220-5200

FEMA Region V - Serving Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin: 536 South Clark Street, 6th Floor, Chicago, IL 60605-1523. (312) 408-5500

FEMA Region VI - Serving Arkansas, Louisiana, New Mexico, Oklahoma, and Texas: 800 North Loop 288, Denton, TX 76209-3698. (940) 898-5399

FEMA Region VII - Serving Iowa, Kansas, Missouri, and Nebraska: 9221 Ward Parkway, Suite 300, Kansas City, MO 64114-3372. (816) 283-7002

FEMA Region VIII - Serving Colorado, Montana, North Dakota, South Dakota, Utah, and Wyoming: Denver Federal Center, Building 710, Box 25267, Denver, CO 80255-0267. (303) 235-4800

FEMA Region IX - Serving Arizona, California, Hawaii, Nevada, the Territory of American Samoa, the Territory of Guam, and the Commonwealth of the Northern Mariana Islands:
1111 Broadway Street, Suite 1200, Oakland, CA 94607-4052. (510) 627-7100

FEMA Region X - Serving Alaska, Idaho, Oregon, and Washington: Federal Regional Center, 130 228th Street, SW, Bothell, WA 98021-9796. (425) 487-4600

SECTION 2 APPLICANT TECHNICAL ASSISTANCE

Applicants may apply for a maximum of 10% of the total funds requested in their FMA grant application budget (Federal and non-Federal shares) for technical assistance to support the planning and project subapplications included as part of their FMA grant application. Applicants requesting Applicant technical assistance must submit a separate Technical Assistance Subgrant application in eGrants and include the technical assistance subgrant application in their grant application or the request will not be considered. Applicants may not request subapplicant technical assistance in their own planning or project subapplications under any circumstance.

2.1 ELIGIBLE TECHNICAL ASSISTANCE ACTIVITIES

Eligible technical assistance activities include:

- The solicitation, review, and processing of FMA planning and project subapplications and subgrant awards;
- Providing technical assistance to subapplicants regarding BCA and Environmental/Historic Preservation documentation;
- Geocoding mitigation projects selected for further review;
- Delivery of technical assistance (*e.g.*, plan reviews, planning workshops) intended to support the implementation of planning and project activities;
- Managing grants (*e.g.*, quarterly reporting and close-out);
- Technical monitoring (*e.g.*, site visits, technical meetings); and
- Hiring staff to perform the above activities.

Technical assistance activities must be consistent with Office of Management and Budget Circular

A-87, Cost Principles for State and Local Governments.

Indirect costs, if requested, must be included as part of the Cost Estimate for the Applicant technical assistance subapplication, not to exceed 10% of the total cost of the grant application.

Indirect costs are included as part of the total project cost; however, indirect costs in excess of the 10% technical assistance limit may not be used as part of the non-Federal cost share. There will be no exception to permit the increase in Applicant technical assistance. Indirect costs must be supported with a current Indirect Cost Rate approved by a Federal Cognizant Agency.

2.2 PRE-AWARD TECHNICAL ASSISTANCE

Eligible technical assistance incurred prior to the grant award, but after the FMA application period has opened, are identified as pre-award technical assistance. FEMA may fund eligible pre-award technical assistance at its discretion and as funds are available. In most cases, Grantees may be reimbursed for eligible pre-award technical assistance incurred prior to award but after the FMA application period has opened. **Eligible pre-award technical assistance**

must be included as separate line items in the Cost Estimate for the technical assistance subapplication. Pre-Award technical assistance will not be reimbursed for pre-award activities associated with project implementation, project initiation, or projects completed prior to award

2.3 COST SHARE

FEMA may contribute up to 75% of the eligible cost of activities for grants approved for funding. In-kind contributions cannot be greater than 50% of the required non-Federal cost share.

2.4 APPLICANT TECHNICAL ASSISTANCE CHECKLIST

Applicants must provide the following in their technical assistance subapplication in order to be eligible for consideration:

- **Applicant Information:** Provide name, type, and State of the Applicant, State and Federal tax numbers, and Federal Employer Identification Number;
- **Contact Information:** Provide the name, agency, and address for the point of contact for the Technical Assistance subapplication;
- **Community Information:** Indicate the entity that will benefit from the subapplication (use “Statewide”);
- **Mitigation Plan Information:** Indicate whether the Applicant is covered by a FEMA approved State/tribal Standard or Enhanced hazard mitigation plan;
- **Mitigation Activity Information:** Indicate the type, intent and title of the proposed activity;
- **Scope of Work:** Describe the goals and objectives of the activity and how they will be implemented, including timeline/schedule/milestones;
- **Cost Estimate:** Provide all anticipated and potential costs for each activity, including Federal and non-Federal shares, including an Approved Indirect Cost Agreement, if applicable. Indicate all pre-award costs as separate line items;
- **Match Sources:** Provide the non-Federal cost share for the proposed activity;
- **Cost-Effectiveness Information:** Technical assistance are exempt from a BCA; and
- **Assurances and Certifications:** Complete the Summary Sheet for Assurances and Certification, FEMA Form 20-16; Assurances-Non-Construction Programs, FEMA Form 20-16A; Assurances-Construction Programs, FEMA Form 20-16B; Certification Regarding Lobbying; Debarment, Suspension and Other Responsible Matters; Drug-Free Workplace Requirements, FEMA Form 20-16C; and Disclosure of Lobbying Activities, Standard Form LLL, if applicable.

2.5 SELECTION AND AWARD

Applicant technical assistance will be approved for 10% of the total amount awarded (Federal and non-Federal shares) for the Applicant’s planning and project subgrants, or the amount of technical assistance requested by the Applicant, whichever is less. There are no exceptions. FEMA may award technical assistance with the initial planning/project award and then amend an Applicant’s grant to increase technical assistance if and when additional planning/project subapplications are awarded, or decrease technical assistance if any planning or project

subapplications are not awarded. As part of the pre-award review process, the FEMA Regional Office will review all open FMA grants to ensure that all required reports have been submitted in a timely manner (See *Section 1.11, Reporting Requirements*). Applicants who are not awarded FMA funds for plans and or projects will not receive reimbursement for technical assistance.

2.6 PERFORMANCE PERIOD

The performance period for the grant shall begin on the date that the grant is awarded and end on the last day of the performance period of the longest subgrant awarded to the Grantee. (See *Section 1.9, Performance Period*).

Should any planning or project grant performance period be extended past the management grant performance period, the management grant performance period will be extended.

SECTION 3 MITIGATION PLANNING SUBAPPLICATION GUIDANCE

Mitigation Plans are the foundation for effective hazard mitigation. The Mitigation Plan is a demonstration of the commitment to reduce risks from natural hazards and serves as a guide for decision makers as they commit resources. A Flood Mitigation Plan will articulate a comprehensive strategy for implementing technically feasible flood mitigation activities for the area affected by the Plan. To be eligible for Project Grants, an eligible State or community must develop, and have approved by the FEMA Regional Administrator, a Flood Mitigation Plan in accordance with 44 CFR Part 78.

3.1 ELIGIBLE PLANNING ACTIVITIES

Planning activities that develop State, Indian tribal, and local Flood Mitigation Plans that meet the planning requirements in 44 CFR Part 78 are eligible for FMA Planning funds. The Planning grant deliverable is limited to those activities necessary to develop or update the flood portion of any mitigation plan. Plans may be either single or multi-jurisdictional.

There are limits on the frequency and the amount of funding that can be allocated to a State or community in any 5-year period for FMA Planning grants (See *Section 1.3.4.4, Funding Limits*). **The outcome of an FMA Planning grant award must result in a FEMA-approved Plan within three years of award** (See *Section 1.9, Performance Period*). Therefore, it is essential that the Scope of Work include sufficient time and resources for FEMA plan review, revisions, plan adoption, and FEMA approval.

For either new or updated plans, FMA Planning grants may fund the flood hazard portion of State or local multi-hazard mitigation plans to also meet the criteria specified in 44 CFR Part 201, *Hazard Mitigation Planning*. The benefit is that communities with mitigation plans that meet these broader criteria may be eligible for other types of grant assistance to fund mitigation activities (HMGP and PDM) in addition to FMA assistance. These multi-hazard mitigation criteria are more stringent than the FMA planning regulations in 44 CFR Part 78; however a few notable differences continue to exist between the plan requirements. For example, to be approved under FMA, plans must 1) describe repetitive loss properties in the risk assessment and/or vulnerability analysis; and 2) present a strategy for continued compliance with the NFIP. FEMA has developed a Combined Crosswalk for use by States and communities to demonstrate how the single plan can meet both the FMA requirements under Part 78 and the multi-hazard requirements under Part 201. This Combined Crosswalk is available from the Regional Offices (See *Section 1.13, Regional Contact Information*). States should discuss with their FEMA Regional Office the review procedure for the flood portion of a multi-hazard mitigation plan.

Since 44 CFR Part 201 regulates multi-hazard plans, FMA Planning *grants* will not fund all of the requirements outlined in 44 CFR Part 201, *only the flood portion*. In order for communities to meet both the FMA planning requirements as well as the multi-hazard planning requirements under 44 CFR Part 201, communities must identify other resources to complete mitigation planning activities for the non-flood hazards, and identify these resources in an FMA planning

application. This will streamline the planning process and eliminate duplication of efforts, while clearly identifying costs attributable to the Flood Mitigation Planning grant.

3.1.1 NEW FLOOD MITIGATION PLAN – SINGLE- OR MULTI-JURISDICTIONAL

FMA Planning grants are available to States and communities to prepare Flood Mitigation Plans or the flood portion of a multi-hazard mitigation plan. Countywide or multi-jurisdictional flood mitigation plan requests may be submitted for funding, as many mitigation issues are better resolved by evaluating hazards in a more comprehensive fashion. FMA funds shall only be used to support planning activities for communities participating in the NFIP (See *Section 1.3.3.1, National Flood Insurance Program (NFIP)*). Further, the flood mitigation plan must meet the planning criteria outlined in 44 CFR Part 78, at a minimum, for each participating jurisdiction to receive credit for having a FEMA-approved FMA plan.

3.1.2 COMPREHENSIVE REVIEW AND UPDATE

Plan updates may be necessary for States, Tribal governments or communities with existing hazard mitigation plans. FMA Planning grants may only be awarded to a State or community once every five (5) years. Eligible activities may include:

- Incorporate more extensive risk assessment data, where the updated mitigation plan also includes an updated mitigation strategy that addresses these revisions;
- Update from an existing CRS or FMA plan to a multi-hazard mitigation plan, where the FMA planning grant funds only the flood portion of the total planning effort; or
- Modify actions and strategy in a previously approved hazard mitigation plan.

3.2 INELIGIBLE PLANNING ACTIVITIES AND COSTS

Certain planning activities and their associated costs are not eligible. In addition to the specific ineligible planning activities listed below, any planning effort that duplicates benefits received for the same purpose (See *Section 1.3.4.2, Duplication of Benefits*) or is within the primary authority of another Federal program will be considered ineligible (See *Section 1.3.4.1, Duplication of Programs*). The following planning activities are **not** eligible for the FMA grant program:

- Flood studies or flood mapping (general hydrologic and hydraulic studies/analyses or Map Modernization activities);
- Risk assessments, technical assistance, information dissemination or workshops not resulting in a FEMA-approved Flood Mitigation Plan;
- Any ground disturbing activity that would initiate the Environmental/Historic Preservation review and compliance process;
- Pre-award activities not directly related to the development of the planning subapplication or implementing the proposed planning activity; and
- Planning activities that contribute to the non-flood portion of a multi-hazard mitigation plan.

3.3 MITIGATION PLAN REQUIREMENTS

Mitigation Plans must be developed to meet the requirements of 44 CFR Part 78. In addition, planning activities must meet the following criteria:

- The outcome of an FMA Planning grant award **MUST** be a FEMA-approved and adopted Flood Mitigation Plan that complies with the requirements of 44 CFR Part 78. Mitigation Plans must be reviewed, adopted by the jurisdiction, and FEMA-approved before the end of the performance period (See *Section 1.9, Performance Period*);
- For communities developing a mitigation plan to meet both Part 78 and 201.6 requirements, a completed Combined Crosswalk for Local Plan Review Worksheet, which is available from the Regional Offices (See *Section 1.13, Regional Contact Information*) must be submitted to FEMA with the hazard mitigation plan, demonstration that all criteria required for approval have been addressed within the hazard migration plan;
- Countywide or multi-jurisdictional Flood Mitigation Plans may be submitted for funding, as many mitigation issues are better resolved by evaluating hazards in a more comprehensive fashion. However, each jurisdiction to be covered by a multi-jurisdictional plan must participate in the planning effort and adopt the plan in order to receive credit for the plan when applying for FMA grants;
- Planning activities must be unique to Flood Mitigation Planning and not primarily associated with programs for which another Federal program has the primary authority (See *Section 1.3.4.1, Duplication of Programs*) [*i.e.*, the Natural Resources and Conservation Service has primary responsibility for funding watershed management plans]; and
- Planning activities must meet the requirements of Federal, State, tribal, local laws, and Executive Orders.

3.4 SCOPE OF WORK

The Scope of Work (SOW) describes the objectives, methodology, feasibility, outcomes, timeline, milestones, resources, deliverables, and benefits of, as well as reasons for, the proposed planning activity.

The mitigation planning subapplication SOW must describe the development of a flood mitigation plan that complies with FEMA's regulatory requirements in 44 CFR Part 78. The SOW must state whether the flood mitigation plan will be a new FMA plan, the flood portion of a multi-hazard mitigation plan, or comprehensive review and update of an existing flood mitigation plan. If the latter, specifically describe the reason(s) for the update (*e.g.* acquisition of better data, recent flood activity, meeting 44 Part 201 requirements, etc.). It must also identify whether the plan is single or multi-jurisdictional plan, and if multi-jurisdictional, which jurisdictions are expected to be covered by the plan and which organization or community will assume the lead role.

The mitigation planning SOW must consist of two main elements: a description of the planning process and a work schedule for plan development. To assist in developing the description of the planning process and work schedule, a sample outline and content for a Planning Scope of Work is available on FEMA's Mitigation Planning web page at

<http://www.fema.gov/about/divisions/mitigation/mitigation.shtm> or from the Regional Offices (See *Section 1.13, Regional Contact Information*). In addition, guidance on the planning process

is described in FEMA's series of *Mitigation Planning How-To* guides, which are available at http://www.fema.gov/plan/mitplanning/planning_resources.shtm#1.

The SOW must thoroughly document the activities the jurisdiction will complete to accomplish all of the planning steps, including the planning process, hazard identification and risk assessment, mitigation goals and strategy, and process for plan implementation as well as plan adoption. The SOW must include what will be done, and how it will be done, and who will be responsible for the completion of each step (*e.g.*, contract personnel or in-house staff). It must also explain how the public and other interested jurisdictions, agencies, and organizations will be involved throughout (*e.g.*, workshops, community outreach). Finally, the SOW must describe the plan adoption process for the particular the jurisdiction to ensure sufficient time for completion of the plan as well.

The work schedule must provide the anticipated timeline for each step of the planning process and significant milestones throughout the entire performance period (See *Section 1.9, Performance Period*), including when a draft plan or other deliverables will be submitted to FEMA for review. The work schedule should allow for sufficient time for State and FEMA review, preparation of any required revisions, formal plan adoption and FEMA approval.

3.5 COST ESTIMATE

The Cost Estimate describes all anticipated costs associated with the proposed planning activity and represents the subapplicant's best estimate of the total value of the proposed activity. Sufficient detail must be provided regarding various cost item categories such as labor, materials, equipment, subcontract costs, etc, and include anticipated cash and in-kind non-Federal cost share. In particular, the labor cost line item must estimate anticipated donated in-kind labor from various community agencies and/or other participating jurisdictions that will count toward the non-Federal cost share (See *Section 1.7, Cost Share Requirements*).

The Cost Estimate must include:

- All costs that may be incurred prior to grant award but subsequent to the FMA application period opening. These should be identified as separate line items (See *Section 1.3.4.6, Pre-award Costs*);
- Subapplicant technical assistance: These should be identified as a separate line item to ensure cost threshold for this activity is not exceeded. Subapplicants may include a maximum of five percent of the total funds requested in their subapplication for technical assistance (See 44 CFR Part 78, *Allowable Costs*); and
- Indicate any item for which a cost has been over-estimated. (For example, if the cost estimate received from a contractor increases due to changes in labor and material costs, this cost may be over-estimated.)

Applicants/subapplicants shall submit detailed budgets and shall avoid "lump sum" items and provide references for all sources of the Cost Estimate (*e.g.*, RS Means, Marshall and Swift, etc.). Back-up documentation for all costs, including the basis for each, must be provided (*e.g.*, salary and fringe benefit rates for personnel involved in the project, bids from qualified professionals, nationally published or local cost estimating guides).

3.5.1 COST ESTIMATE CHANGES

Revisions to the approved budget may be considered after award as long as the approved deliverable is not adversely impacted. In accordance with 44 CFR Part 13, adjustments may be made among cost line items in the approved budget up to a cumulative threshold of 10% of the total budget without seeking formal approval from FEMA. Adjustments exceeding this threshold must be approved in advance by FEMA. As with Scope of Work changes, requests for a budget revision must be supported by adequate justification from the Applicant in order to be processed (See *Section 1.3.4.5, Cost Overruns and Cost Under-runs*).

3.6 PLANNING SUBAPPLICATION CHECKLIST

Mitigation planning subapplications must include all of the following or it will be removed for further consideration under the FMA grant program:

- **Applicant Information:** Provide name, type, and State of subapplicant, State and Federal tax numbers, and Federal Employer Identification Number;
- **Contact Information:** Provide the name, agency, and address of the point of contact (POC) for the subapplicant. The POC must be an official within the subapplicant's organization;
- **Subapplication Name:** Applicants must verify that the subapplication name includes the location of the proposed activity and the activity type;
- **Community Information:** Select the community or entity (*i.e.*, Tribe, college, university) that will benefit from the subapplication. If the community or entity is not listed, please advise the FEMA Regional Office (See *Section 1.13, Regional Contact Information*). Provide a Community Profile with a brief description of the community to include population, location, any geographic areas of interest, description of critical facilities of a national, Statewide, or regional significance. Multi-jurisdictional planning subapplications, both an overall Community Profile, and a brief profile for each potential participating jurisdiction must be provided to ensure NFIP participation compliance, as well as information on how the multi-jurisdictional planning effort will be coordinated;
- **Mitigation Plan Information:** Indicate whether the entity(ies) that will benefit from the subapplication and is/are covered by a FEMA-approved State/Tribe hazard mitigation plan and identify any previous planning grants received;
- **Mitigation Activity Information:** Indicate the type, intent and title of the proposed planning activity. If the proposed planning activity is a comprehensive update to an existing FEMA approved hazard mitigation plan, indicate how it will address any identified deficiencies. The updated hazard mitigation plan must include a modified mitigation strategy and corresponding action items;
- **Hazard Information:** Describe the area to be covered by the planning activity and identify the source of the hazards to be addressed in the planning activity. Include a synopsis and history of hazards affecting the community or entity, and other applicable information that will clarify the need for the mitigation planning effort. Attach a map with the planning area identified;
- **Scope of Work:** Describe the goals and objectives of the planning activity and how it will be implemented. For multi-jurisdictional planning subapplications, provide information on how the multi-jurisdictional planning effort will be coordinated;

- **Cost Estimate:** Provide all anticipated and potential costs for each proposed planning activity, including Federal and non-Federal shares. Provide an Approved Indirect Cost Agreement, if applicable;
- **Match Sources:** Provide the non-Federal cost share for the proposed activity, including documentation to support the non-Federal cost share. (See *Section 1.7, Cost Share Requirements*);
- **Cost-Effectiveness Information:** All planning grants are exempt from a BCA; therefore, a BCA is not required to be submitted with planning subapplications; and
- **Assurances and Certifications:** If applicable for your Applicant State/Tribe, complete the Summary Sheet for Assurances and Certification, FEMA Form 20-16; Assurances - Non-Construction Programs, FEMA Form 20-16A; Assurances-Construction Programs, FEMA Form 20-16B; Certification Regarding Lobbying; Debarment, Suspension and Other Responsible Matters; and Drug-Free Workplace Requirements, FEMA Form 20-16C; and Disclosure of Lobbying Activities, Standard Form LLL.

Incomplete subapplications will be removed from further consideration.

FEMA has determined that planning activities are Categorically Excluded (CATEX) from the preparation of an Environmental Assessment or Environmental Impact Statement under NEPA pursuant to 44 CFR Part 10.8(d)(2)(iii). Therefore, Environmental/Historic Preservation documentation is not required to be submitted with mitigation planning subapplications. Applicants must select “No” for the CATEX questions in the Environmental Historic Preservation Information Section in eGrants for planning subapplications during their review process (See *Section 1.6.3, Applicant Review of Subapplications*).

3.7 FEMA PRE-AWARD ACTIVITIES

FEMA Regional Offices will work with Applicants who have approved Planning subapplications to implement required pre-award activities prior to grant award (See *Section 1.8.5, FEMA Pre-award Activities*). FEMA may, at its discretion, request information or documentation from Applicants to resolve outstanding administrative or procedural requirements as part of its pre-award activities.

In accordance with 44 CFR Part 10.8d(2)(iii), FEMA has determined that mitigation planning activities have no impact on the environment and will require no further Environmental/Historic Preservation review. Additionally, Benefit-Cost Analysis documentation is not required for mitigation planning subapplications.

SECTION 4 MITIGATION PROJECT SUBAPPLICATION GUIDANCE

The priority for FMA Project Grants continues to be saving lives and protecting property by mitigating NFIP insured properties through acquisition, elevation, relocation and minor structural flood control projects. These activities will reduce flood insurance claim payments, as well as disaster housing and emergency response expenses. In addition, as a result of effective mitigation, fewer families will lose wages and fewer businesses will suffer reduced profits from displacement due to flooding. In the case of property acquisition, there will be increased recreational opportunities and an enhancement of the environment through the creation of open space along rivers and streams. Most importantly, communities and their residents will be safer from flood hazards.

4.1 ELIGIBLE PROJECT ACTIVITIES

Only the following mitigation activities are eligible for the FMA program. To be eligible for funding, properties must be currently insured by the NFIP at the time of application and the insurance must be maintained through the completion of the project. For acquisition projects, insurance must be maintained by the property owner until the transfer of ownership. The Special Flood Hazard Area (SFHA) is defined as the land in the floodplain within a community subject to a 1% or greater chance of flooding in any given year.

- **Acquisitions/Relocations**: The voluntary acquisition of structures and underlying real property for the purpose of creating open space, demolition or relocation of the structure, and conversion of the property to deed restricted open space uses in perpetuity. The relocation of existing residential structures must be to areas outside of the SFHA or local regulatory floodplain, outside of any regulatory erosion zones, and in conformance with any other applicable State or local land-use regulations;
- **Elevations**: The elevation of existing structures and elevation to at least the BFE or an ABFE or higher if required by any State or local ordinance, and in accordance with criteria established in this Guidance. The techniques used for elevating structures in accordance with FEMA requirements can be found at:
<http://www.fema.gov/government/grant/mitmeasures/elevate.shtm>;
- **Dry Floodproofing**: Floodproofing of existing non-residential structures in accordance with the requirements of the NFIP or higher standards if required by FEMA or if required by any State or local ordinance, and in accordance with criteria established by the Administrator.
- **Minor Localized Flood Control Projects**: These projects may include the installation or modification of culverts and floodgates; the creation of small retention and detention basins; and the upgrade of culverts to bridges. Minor localized flood control projects must not duplicate the flood prevention activities of other Federal agencies.

At least 50% of the structures directly benefiting from the mitigation activity must be NFIP insured properties. Documentation must be provided in the subapplication that identifies all properties that will benefit from this activity and specifically identifies the NFIP insured properties;

- **Beach Nourishment Activities:** Natural dune replenishment through the planting of native dune vegetation and/or the installation of sand-fencing; and
- **Other Project Activities:** The other activities that bring an NFIP-insured structure into compliance with the statutorily authorized floodplain management requirements of 44 CFR Part 60.3 including, but not limited to demolition.

There are limits on the amount of FMA Project grant funding that can be allocated to a State or community over any 5-year period. (See *Section 1.3.4.4, Funding Limits*).

4.2 INELIGIBLE PROJECT ACTIVITIES AND COSTS

In addition to the specific ineligible project activities listed below, any activity that duplicates benefits received for the same purpose (See *Section 1.3.4.2, Duplication of Benefits*) or is within the primary authority of another Federal program will be considered ineligible (See *Section 1.3.4.1, Duplication of Programs*). Projects already in progress will also be considered ineligible. Certain project activities and their associated costs are not eligible. The following project activities are **not** eligible for the FMA grant program:

- Major flood control projects related to the construction, demolition, or repair of dams, dikes, levees, floodwalls, seawalls, groins, jetties, breakwaters, waterway channelization, and erosion projects related to beach nourishment or renourishment;
- Dry floodproofing of any residential structures;
- Phased or partial project that is dependent on another phase or part to be effective and/or feasible;
- Mitigation reconstruction - any mitigation activities involving demolishing of an existing structure (*i.e.*, commercial or residential building, publicly or privately owned) and building a new structure (formerly known as demolition/rebuild);
- Applications involving any activities for which implementation has already been initiated or completed are not eligible for funding, and will not be considered;
- Studies that do not result in a completed mitigation project (*e.g.*, engineering designs, feasibility studies, or drainage studies that are not integral to the proposed project);
- Flood studies or flood mapping (*i.e.*, general hydrologic and hydraulic studies/analyses not integral or necessary for project design or feasibility determination);
- Projects that solely address maintenance or repairs of existing structures, facilities or infrastructure (*e.g.*, debris removal, dredging);
- Generators, and related equipment, such as generator hook-ups, for non-critical facilities or as a stand-alone activity;
- Warning and alert notification systems (*e.g.*, NOAA weather radios);
- Response and communication equipment;
- Projects that solely address operation, maintenance, or repairs of existing structures, facilities, or infrastructure (*e.g.*, dredging, debris removal, bridges and dam repair/rehabilitation);
- Properties that are subject to pending litigation; and

- Legal procedures related to litigation for an approved application or subapplication.

Projects and applications that propose ineligible activities will be removed from consideration. FEMA will not separate eligible activities from ineligible projects and applications for funding consideration.

4.3 MITIGATION PROJECT REQUIREMENTS

4.3.1 PLAN REQUIREMENT

Subapplicants must have a FEMA-approved local mitigation plan in accordance with 44 CFR Part 78.5, by the application deadline that, at a minimum, addresses flood hazards to be eligible to receive project grant funding.

A local government hazard mitigation plan that expires prior to the award of a grant or subgrant must provide a FEMA-approved hazard mitigation plan in accordance with 44 CFR Part 78 in order to receive grant funding.

4.3.2 FEASIBILITY AND EFFECTIVENESS REQUIREMENT

Mitigation projects funded by the FMA program must be both feasible and effective at mitigating the hazard(s) for which the project was designed. To determine both feasibility and effectiveness, FEMA will use the information provided in the project subapplication, including the SOW and Cost Estimate sections, as well as any supporting documentation to review the engineering feasibility of the proposed project. If applicable, proposed schematic or detailed engineering drawings, or engineering designs for projects that demonstrate the design parameters and how the project will achieve the stated objectives must be included to allow FEMA to assess the effectiveness and feasibility of the proposed project.

Project subapplications must address the level of protection provided by the proposed project as well as any residual risk to the structure after project implementation. Upon request, FEMA will provide technical assistance regarding engineering documentation and cost estimation, *Section 5.2.1, Engineering Feasibility Technical Assistance*. Project subapplications that do not include appropriate documentation to support the determination of feasibility and effectiveness may be removed from consideration.

4.3.3 ELIGIBILITY CRITERIA

Proposed mitigation projects must meet all requirements referenced in 44 CFR Part 78, *Minimum Project Eligibility Criteria*. The project subapplication must:

- Be cost-effective and able to substantially reduce the risk of future damage, hardship, loss, or suffering resulting from a major disaster, consistent with 44 CFR Part 206.434(c)(5) and related guidance, and have a BCA using a FEMA-approved methodology that results in a benefit-cost ratio (BCR) of 1.0 or greater. Only mitigation projects with a BCR of 1.0 or greater will be considered for the FMA program;
- Conform with 44 CFR Part 9, *Floodplain Management and Protection of Wetlands*, and 44 CFR Part 10, and any applicable environmental laws and regulations;

- Not duplicate benefits available from another source for the same purpose or assistance that another Federal agency or program has the primary authority to provide, *Section 1.3.4.1, Duplication of Programs*;
- Be technically feasible and have the ability to be implemented. The project Cost Estimate must reflect the engineering design, including all anticipated costs;
- Be NFIP insured at the time of project application and maintained at least through completion of the mitigation activity or, for acquisition projects, until the transfer of ownership. For structures that remain in the SFHA, flood insurance must be maintained for the life of the structure. Minor physical flood mitigation projects that reduce localized flooding problems must reduce or eliminate the risk of flood damage to buildings, manufactured homes, and other structures insured under the NFIP;
- Ensure that any improvements on the property shall be in accordance with the standards of the NFIP Floodplain Management Regulations. Structures on the property shall be floodproofed or elevated to at least the BFE or an ABFE or higher if required by any State or local ordinance, and in accordance with criteria established in this Guidance;
- Conform with the FEMA-approved Flood Mitigation Plan pursuant to 44 CFR Part 78, or flood hazard component of the community's 44 CFR Part 201 compliant multi-hazard mitigation plan, (the type of project being proposed must be identified in the plan), where the plan is approved by FEMA by the application deadline;
- Be physically located in a community that is participating in the NFIP where the community is not on probation, suspended or withdrawn from the NFIP;
- Solve a problem independently or constituting a functional portion of a solution where there is assurance that the project as a whole will be completed; and
- Meet the requirements of applicable Federal, State, Indian tribal, and local laws, implementing regulations, and executive orders.

4.3.4 PROPERTY ACQUISITION AND RELOCATION REQUIREMENTS

For property acquisition and relocation projects, Applicants and subapplicants must comply with the following requirements, 44 CFR Part 206.434(e) and related guidance. A project may not be framed in a manner that has the effect of circumventing these requirements.

4.3.4.1 ELIGIBILITY FOR PROPERTY ACQUISITION PROJECTS:

Eligible Properties

Properties eligible for acquisition include those where:

- The property will be acquired from a willing, voluntary seller;
- The property contains a structure that may or may not have been damaged or destroyed due to an event;
- All incompatible easements or encumbrances can be extinguished;
- The property cannot be contaminated with hazardous materials at the time of acquisition, other than incidental demolition or household waste;

- Any relocated structure must be placed on a site located outside of the SFHA, outside of any regulatory erosion zones, and in conformance with any other applicable State or local land use regulations;
- The property cannot be part of an intended, planned, or designated project area for which the land is to be acquired by a certain date, and/or where there is an intention to use the property for any public or private future use inconsistent with the open space deed restrictions and FEMA acquisition requirements (examples include roads and flood control levees); and
- The property will not be subdivided prior to acquisition, except for portions outside the identified hazard area, such as the SFHA or any risk zone identified by FEMA.

Hazardous Materials

Subapplicants considering the purchase of property (or land adjacent to property) with past or present commercial or industrial use must ensure that the owner provides information identifying what, if any, hazardous materials are on the property. To be considered an eligible property, before purchasing commercial or industrial properties, the subapplicant must require the owner to remove hazardous materials and containers. The owner must provide a clean-site certification from the appropriate State agency before the subapplicant can purchase any interest in the property, including easements for development rights. **Clean-up costs associated with hazardous materials are not eligible project costs.**

The presence of non-leaking underground storage tanks, septic systems, home heating oil tanks, and normal quantities of lead, asbestos, and hazardous material associated with residential/household use does not preclude the use of mitigation funds for acquisition. However, local permitting ordinances, State laws, as well as Federal laws, regulations and Executive Orders, must be followed. The costs of removing these typical residential/household items must be addressed in the project Cost Estimate.

Eligible costs

- Value of the land to be acquired, and either value of structure and demolition cost of that structure or relocation of the structure;
- Cost of appraisals, cost of title insurance and any additional escrow costs, such as recordation of the deed and deed restrictions, and other costs necessary for the real estate transaction; and
- Other necessary and appropriate costs for implementation of the project.

Ineligible costs

- Compensation for land that is already held by an eligible entity is not an allowable cost, but compensation for development rights (open space easement) may be allowable;
- Cleanup or remediation of contaminated properties, except for permitted disposal of incidental demolition and household hazardous wastes;
- Pre-Award costs may not be reimbursed for pre-award activities associated with implementation of the project; and

- FEMA acquisition funds are not available when an Applicant, subapplicant, other project participant or third party's negligence or intentional actions contributed to the conditions needing mitigation.

4.3.4.2 REQUIREMENT TO APPLY DEED RESTRICTIONS

Subapplicants requesting assistance for a real property acquisition or building relocation must apply specific deed restriction language to all acquired properties. See the Model Deed Restriction language on FEMA's mitigation website at <http://www.fema.gov/government/grant/resources/index.shtm> or from the Regional Office (See *Section 1.13, Regional Contact Information*). Any modifications to the model deed restriction can only be made with prior approval from FEMA's Office of Chief Counsel.

4.3.4.3 SUBAPPLICATIONS FOR PROPERTY ACQUISITION

Subapplicants for property acquisition and relocation projects must include the following in their application:

1) Statement of Assurances;

As part of the project application, subapplicants must attach a Statement of Assurances, signed by the subapplicants authorized agent, acknowledging the requirements as identified below that will apply to the acquisition of the property. See FEMA's website for this Statement of Assurances that must be submitted with the project application <http://www.fema.gov/government/grant/resources/index.shtm>. Open space acquisition projects without these formal assurances will not be funded by FEMA.

The following conditions apply to the grant and must be included in the Statement of Assurances:

- Participation by property owners is voluntary. The prospective participants were informed in writing that participation in the program is voluntary, that the subapplicant will not use its eminent domain authority to acquire their property for the project purposes should negotiations fail;
- Each property owner will be informed, in writing, of what the subapplicant considers to be the fair market value of the property. The subapplicant will use the model Statement of Voluntary Participation to document this and will provide a copy for each property after award. This model is available on FEMA's web page: <http://www.fema.gov/government/grant/resources/index.shtm> or from the Regional Office (See *Section 1.13, Regional Contact Information*);
- The subapplicant accepts all of the requirements of the FEMA grant and the deed restriction governing the use of the land, as restricted in perpetuity to open space uses. The subapplicant must apply and record a deed restriction on each property in accordance with the language in the FEMA model deed. The community will seek FEMA approval for any changes in language differing from the model deed;
- The subapplicant understands that the land will be unavailable for the construction of flood damage reduction levees and other incompatible purposes,

and is not part of an intended, planned, or designated project area for which the land is to be acquired by a certain date;

- The subapplicant will demonstrate that it has consulted with the US Army Corps of Engineers regarding the subject land's potential future use for the construction of a levee system, and will reject future consideration of such use if it accepts FEMA assistance to convert the property to permanent open space;
- The subapplicant will demonstrate that it has coordinated with its State Department of Transportation to ensure that no future, planned improvements or enhancements to the Federal aid systems are under consideration that will affect the subject property;
- Existing buildings will be removed within 90 days of settlement;
- Post grant award, the subgrantee may convey a property interest only with the prior approval of the FEMA Regional Administrator and only to another public entity or to a qualified conservation organization pursuant to 26 CFR 1.170A-14;
- Every three years, the subgrantee must submit to the Grantee, who will submit to the FEMA Regional Administrator a report certifying that it has inspected the subject property within the month preceding the report, and that the property continues to be maintained consistent with the provisions of the grant. If the subject property is not maintained according to the terms of the grant, the Grantee and FEMA, its representatives, designated authorities, and assigns are responsible for taking measures to bring the property back into compliance; and
- After settlement, no disaster assistance for any purpose from any Federal entity may be sought or provided with respect to the property, and FEMA will not distribute flood insurance benefits for that property for claims related to damage occurring after the date of the property settlement.

2) Property Information for each property in the SOW; and

- Notice of Voluntary Interest Documentation: In a specific format chosen by the subapplicant (such as a letter of interest, intent to participate form, project signup sheet or similar format) the subapplicant must **record the name and signature** of interested property owners associated with each property and must also clearly show **each property owner acknowledging the following language: "The property owner has been informed that this project for open space acquisition is voluntary and that neither the [Applicant] or the [subapplicant] will use its eminent domain authority to acquire the property for open space purposes should negotiations fail."** This documentation of voluntary interest for each property owner must be submitted with the project application. It is the community's discretion how this documentation is integrated into the project development process; however, it should be accomplished as early in the project development process as is feasible. An example is available on FEMA's mitigation web page: <http://www.fema.gov/government/grant/resources/index.shtm>;
- Market value documentation for each parcel and include it in the cost estimate. The market value must be derived using a reasonable methodology that has been

consistently applied throughout the community, such as independent appraisals, opinions of value, or a formula based on tax assessments;

- Net present value of the project benefits for each property to be acquired;
- The Uniform Relocation Assistance and Real Property Acquisition Act of 1970 (URA) mandates that displaced tenants receive relocation assistance in accordance with 49 CFR Part 24. The project application should document properties occupied by tenants. This must be included in the cost estimate. See the FEMA Hazard Mitigation Grant Program Desk Reference for additional guidance;
- A photograph that represents the appearance of each property at the time of application; and
- For acquisition projects, changes to the properties in an approved mitigation project will be considered by FEMA but not approved automatically. The Applicant and subapplicant must have initially identified the alternate properties in the project application and must include a BCA for each alternate property in order to be considered. However, the alternate properties must not be included in the Cost Estimate or the overall project BCA. Eligible properties may be substituted as alternatives in the application as long as the substitution does not change the overall nature of the project or increase the amount of the Federal share and were included as alternatives in the subapplication.

3) Other information as determined by the Administrator.

4.3.4.4 PRE-AWARD REQUIREMENTS

After application, but prior to award, the Applicant must provide FEMA with the following:

- Documentation that the subapplicant has consulted the US Army Corps of Engineers and the State Department of Transportation regarding potential future land use conflicts of levee systems and Federal aid systems with open space acquisition and has reject future consideration of such use if it accepts FEMA assistance to convert the property to permanent open space (see the subapplication assurances for more detail). FEMA encourages subapplicants to conduct this consultation as early as possible so that incompatible properties can be removed earlier in the process. FEMA will not award funds for any property without this documentation; and
- Copy of the deed restriction, incorporating the specific language from FEMA's model deed restriction, which the local government will record with acquired properties.

4.3.4.5 POST-AWARD REQUIREMENTS

Following award of the grant, the subgrantee must adhere to the following requirements:

- A property owner who did not own the property at the time of the relevant event, or who is not a National of the United States or qualified alien, is not eligible for a purchase offer based on pre-event market value of the property, but may receive current market value;

- Subgrantees shall ask each property owner participating to certify that they are either a National of the United States or qualified alien before offering pre-event market value for the property. This information should be retained in the project file;
- The amount of the purchase offer is based on the current market value of the property or on the market value of the property immediately before the relevant event affecting the property (“pre-event”): The relevant event for the Flood Mitigation Assistance program and the Repetitive Flood Claims Program is the most recent event resulting in a National Flood Insurance Program claim of at least \$5000;
- The Grantee should coordinate with the subgrantee in determination of whether the valuation should be based on pre-event or current market value. Generally the same method to determine market value should be used for all participants in the project;
- A title insurance policy demonstrating clear title must be obtained for each approved property that will be acquired;
- All incompatible easements or other encumbrances must be extinguished before acquisition;
- The property must transfer by a warranty deed;
- See *Section 4.3.4.3, Subapplications for Property Acquisition* and *Section 4.3.4.2, Requirement to Apply Deed Restrictions* regarding limitations on substitution of alternate properties;
- Incompatible facilities must be removed from acquired property within 90 days of settlement; and
- Property Reporting Requirements from the subgrantee, through the Grantee, to FEMA:
 - 1) A photo of the property site after project implementation;
 - 2) Latitude and longitude coordinates of the property;
 - 3) Signed Statements of Voluntary Participation from the owner of each property identified in the SOW. This statement documents more formally the voluntary participation notice provided earlier, as well as documenting required property valuation notices. A Model Statement of Voluntary Participation is available on FEMA’s web page: http://www.fema.gov/government/grant/vol_participation.shtm or from the Regional Office (See *Section 1.13, Regional Contact Information*);
 - 4) A copy of the recorded deed and the attached deed restrictions for each acquired property must be submitted;
 - 5) For any property identified on FEMA’s Repetitive Loss list, complete and submit FEMA <http://www.fema.gov/government/grant/resources/aw501ins.shtm>, documenting the completion of mitigation to those properties that are identified by FEMA as Repetitive Loss Properties; and
 - 6) Every three years following acquisition, submit a report certifying that the subgrantee has inspected the property within the month preceding the report, and that the property continues to be maintained consistent with the provisions of the

deed restriction.

4.3.5 FEDERAL INCOME TAX ON MITIGATION PROJECT FUNDS

FEMA mitigation payments that benefit property owners through the mitigation of their structures are not subject to Federal income taxation. FEMA mitigation payments to acquire a property will be treated as an involuntary conversion for tax purposes. For more information, property owners should consult their IRS office or a tax advisor.

4.3.6 GEOCODING REQUIREMENTS

All approved mitigation projects funded by the FMA program must be geo-coded using standard datum. Geospatial coordinates, in the form of latitude and longitude with an accuracy of +/- 20 meters (64 feet), must be provided for all individual sites contained in the mitigation project, including:

- Individual property information on properties mitigated, and
- Project sites for mitigation activities such as stormwater management, road and bridge improvement, and critical facility protection, and flood control projects.

The specific Guidance for Geo-coding Mitigation Data was provided to the FEMA Regional Offices in August, 2004, and provides guidance for collecting and formatting location information. This is available on FEMA's FMA web page:

<http://www.fema.gov/library/viewRecord.do?id=1849> or from the Regional Offices (See *Section 1.13, Regional Contact Information*). FEMA will work with Applicants to ensure this information is provided prior to award.

4.3.7 PROJECT MAINTENANCE

FEMA is **not** responsible for project maintenance. FEMA will not pay for any future maintenance, such as dredging or debris removal, mowing open space, or ensuring hurricane shutters are operable. Subapplicants must provide a maintenance plan that identifies the maintenance tasks and budget and the entity that will perform long-term maintenance and include a description of maintenance agreements to be in place for long-term upkeep of the proposed project prior to award. **Maintenance costs must not be included in the Cost Estimate; however, anticipated future maintenance costs must be included in the BCA.**

4.4 SCOPE OF WORK

The Scope of Work (SOW) describes the objectives, methodology, feasibility, outcomes, timeline, milestones, resources, deliverables, and benefits of as well as reasons for the proposed project. The narrative must establish the “who, what, where, when, and how” of the proposal and timeline. The project subapplication SOW should include the following as well as applicable references and supporting documentation:

- Purpose of the project (*e.g.*, What is the goal? How does the project meet the intent of the Flood Mitigation Plan?);
- Clear, concise description of the proposed project and the means to implement and construct it (*i.e.*, How will the project be implemented and by whom?);
- Outcomes (*e.g.*, What are the expected accomplishments? What members of the community population directly or indirectly benefit from the project?);

- Identification of the flooding hazards to be addressed; location within the community and/or geographical extent of the project (natural, built and socioeconomic environments);
- Feasibility and effectiveness provided by the proposed project, including engineering design parameters and copies of or references to: Proposed schematic or detailed engineering drawings, or engineering design; Applicable building code/edition or engineering standard used (*e.g.*, for drainage projects this may be a state or local standard or requirement); Level of protection provided by the proposed project (*i.e.*, building code/edition); or Any residual risk to the structure from flood risk after project implementation (*i.e.*, adequacy of the structural systems);
- Include a description of the alternatives considered prior to deciding upon the project;
- Describe the maintenance agreements to be in place for long-term upkeep of the proposed project; and
- Work schedule for all project tasks (*e.g.*, survey, appraisal, permitting, inspection requirements, site preparation), and significant milestones throughout the entire performance period (See *Section 1.9, Performance Period*).

4.4.1 SCOPE OF WORK DOCUMENTATION

Documentation provided will be used by FEMA to evaluate the SOW to determine eligibility of the proposed subapplication. Examples of documentation, where applicable to the project, include proposed schematic or detailed engineering drawings, or engineering design; photographs, maps, sketches, and/or drawings (*e.g.*, appropriate sections of Flood Insurance Studies and Flood Insurance Rate Maps) to document elements of the project and project parameters; or data sources, references, citations, and/or notations.

4.4.2 SCOPE OF WORK CHANGES

FEMA may not consider changes to the SOW between the close of the application period and the completion of the selection process. Requests for changes to the SOW after award may be permissible as long as they do not change the nature or total project cost of the activity, properties identified in the subapplication, the feasibility and effectiveness of the project, negate the cost-effectiveness of the project, or make the project ineligible. Requests must be supported by adequate justification from the Applicant in order to be processed. The justification is a description of the proposed change, a written explanation of the reason or reasons for the change; an outline of remaining funds available to support the change; and a full description of the work necessary to complete the activity. All approvals will be at FEMA's discretion, and there is no guarantee that SOW changes will be approved.

4.5 COST ESTIMATE

The Cost Estimate describes all anticipated and potential costs associated with the proposed activity, and represents the subapplicant's best estimate of the total value of the proposed activity. Sufficient detail must be provided regarding various cost item categories such as labor, materials, equipment, subcontract costs, etc, and include anticipated cash and in-kind non-Federal match. In particular, the labor cost line item must estimate anticipated donated in-kind labor from various agencies and/or other participating jurisdictions that will count toward the non-Federal match (See *Section 1.7, Cost Share Requirements*).

The Cost Estimate must include:

- All anticipated project costs, such as:
 - 1) Anticipated environmental resource remediation or historic property treatment measures;
 - 2) Engineering designs/specifications to include Hydrologic and Hydraulic;
 - 3) Studies/analyses required as an integral part of the project design;
 - 4) Other related construction/demolition/relocation costs, such as survey, permitting, site preparation, material disposal; and
 - 5) Other related acquisition costs, such as appraisals, legal recordation, displacement costs for renters.
- Indicate any item for which a cost has been over-estimated. (For example, if the cost estimate received from a contractor increases due to changes in labor and material costs, this cost may be over-estimated.); and
- Maintenance costs are not eligible and should not be included in Cost Estimate but must be included in the BCA.
- Subapplicant technical assistance: These should be identified as a separate line item to ensure cost threshold for this activity is not exceeded. Subapplicants may include a maximum of 5 percent of the total funds requested in their subapplication for technical assistance (See 44 CFR Part 78, *Allowable Costs*);

Pre-award costs: Indicate all costs that may be incurred prior to grant award but subsequent to the FMA application period opening. These should be identified as separate line items.

Subapplicants may include a maximum of 5% of the total funds requested (Federal and non-Federal shares) for their planning subapplication for technical assistance to support the planning activities. Subapplicant cost activities must be consistent with the Office of Management and Budget Circular A-87, Cost Principles for State and Local Governments. Subapplicants requesting technical assistance must provide supporting documentation and include these costs as separate line items in the Cost Estimate for the planning subapplication. Applicants may not request subapplicant technical assistance in their own planning subapplications under any circumstance (See *Section 2, Applicant Technical Assistances*).

4.5.1 COST ESTIMATE DOCUMENTATION

Documentation provided will be used by FEMA to evaluate the Cost Estimate in order to determine eligibility. Applicants/subapplicants shall submit detailed budgets and shall avoid “lump sum” items and provide references for all sources of the Cost Estimate (*i.e.*, RS Means). Identify sources of cost items (*e.g.*, documented local cost, bids from qualified professionals, published national or local cost estimating guides) and provide documentation supporting each source, as appropriate (*e.g.*, salary and fringe benefit rates for personnel involved in the project, bids from qualified professionals, published nationally or local cost estimating guides). If another project is used as the source of the Cost Estimate, detailed documentation showing the related project scope items must be provided.

The project must be identified with enough details so that material, labor and other costs associated with the project can be identified. The cost estimating tools used must be identified and a detailed Cost Estimate must be provided. Examples of cost estimating tools

may include: national cost estimating guides; an Applicant's own cost estimating guides; an estimate based on bids; or an estimate based on awarded contracts for similar work.

4.5.2 COST ESTIMATE CHANGES

Revisions to the approved budget may be considered after award as long as the approved deliverable is not adversely impacted. In accordance with 44 CFR Part 13, adjustments may be made among cost line items in the approved budget up to a cumulative threshold of 10% of the total budget without seeking formal approval from FEMA. Adjustments exceeding this threshold must be approved in advance by FEMA. As with SOW changes, requests for a budget revision must be supported by adequate justification from the Applicant in order to be processed (See *Section 1.3.4.5. Cost Overruns and Cost Under-runs*).

4.6 COST EFFECTIVENESS

The FMA program must fund cost-effective mitigation activities. To ensure this objective is met, a FEMA-approved Benefit-Cost Analysis (BCA) will be required for all mitigation projects. BCA is a well-established method for quantitatively comparing the benefits and costs of mitigation projects. The end result is a Benefit-Cost Ratio (BCR), which is derived from a project's total net present value of benefits (*i.e.*, the value of benefits today versus the value of future benefits after taking inflation and return into account) divided by the total project cost to include all documented project and maintenance costs.

The Applicant or subapplicant is required to perform a BCA for each property, including repetitive flood loss properties and substantially damaged properties. For projects that address multiple structures (*e.g.*, acquisition or elevation), the BCR must be calculated by totaling the anticipated or net present value of benefits for each structure to obtain the project's total net present value of benefits and dividing the total project benefits by the total project Cost Estimate. Applicants/subapplicants are encouraged to ensure that the BCA includes all benefits associated with the proposed mitigation project. Project subapplications with a BCR less than 1.0 will be removed from consideration.

FEMA will convene a Benefit-Cost Technical Review panel of subject matter experts to conduct a detailed and comprehensive review of the BCAs for mitigation projects.

The conduct of FEMA's BCAs is governed by the White House Office of Management and Budget (OMB) Circular A-94, Guidelines and Discount Rates for BCA of Federal Programs. Accordingly, the benefits of mitigation projects are avoided damages, disruptions, losses, and casualties. Examples of common benefits include avoided or reduced:

- Damages to buildings, contents or infrastructure;
- Economic impacts of loss of function of buildings;
- Displacement costs for temporary quarters;
- Loss of public services;
- Loss of net business income;
- Economic impacts of loss of function of infrastructure;
- Road or bridge closures; and

- Loss of utility services.

The OMB circular excludes indirect benefits or “multiplier” effects, for example long-term changes in regional economic activity, future employment and tourism, which are not directly linked to the project. For further details of categories of benefits that may or may not be counted see “What is a Benefit? - Guidance on BCA of Hazard Mitigation Projects” located on the Mitigation BCA Toolkit CD (See *Section 5, Technical Assistance Resources*). This document provides standardized benefit categories, approaches, and data inputs for many common mitigation projects.

The cost of performing the BCA and providing supporting documentation may be included by the subapplicant as part of the project Cost Estimate or by the Applicant as part of the Applicant technical assistance (See *Section 2, Applicant Technical Assistance*).

If the Applicant and/or subapplicant are submitting a project for which FEMA performed the BCA in the past, the Applicant and/or subapplicant must certify that they accept the BCA as their own before submitting the BCA as part of their project subapplication. Applicants/subapplicants submitting projects prepared for other FEMA mitigation programs are strongly encouraged to revisit the BCA(s) to ensure complete documentation of mitigation project benefits and costs.

4.6.1 METHODOLOGY

Applicants and subapplicants must use a FEMA-approved methodology to determine the BCA. Applicants and subapplicants are strongly encouraged to use FEMA’s BCA software for their analyses, which may be obtained from FEMA by contacting the BCA helpline via phone: 1(866) 222-3580 or e-mail: bchelp@fema.gov (See *Section 5.2.2, Benefit-Cost Analysis Technical Assistance*) or the applicable FEMA Regional Office (See *Section 1.13, Regional Contact Information*). Applicants and subapplicants should submit the completed BCA module with their applications. Using FEMA-approved software will ensure that all calculations are prepared in accordance with OMB and FEMA’s standardized methodologies and approaches and will facilitate FEMA’s review process. **The Flood Very Limited Data Module may not be used to demonstrate cost-effectiveness for FMA project subapplications, only to screen projects for cost-effectiveness. Projects that use the Flood Very Limited Data Module will be removed from consideration.**

The OMB-mandated discount rate for the FMA program is seven percent. This discount rate is incorporated into all FEMA software programs as a default and must not be modified.

Alternative BCA methodologies will be considered only if the FEMA Regional Office and FEMA Headquarters approve the software prior to the Applicant’s submission of the FMA grant application to FEMA. The Applicant must provide verification that FEMA has approved the alternative BCA software or methodologies. An e-mail or letter signed and dated by FEMA is considered appropriate verification. Applications using BCAs conducted with software not approved in advance by FEMA will not be considered for the FMA program.

FEMA has developed a simplified, alternative methodology to conduct the BCA, which may be used in lieu of a traditional BCA for certain properties insured under the NFIP and included in the NFIP Repetitive Loss Properties List. The list of properties and the guidance

for using this alternative approach was provided to the FEMA Regional Offices under separate cover (information on the alternative approach is available on the FEMA website: <http://www.fema.gov/government/grant/resources/bcarlalt.shtm>). The NFIP Repetitive Loss properties may be combined in a project with other repetitive flood loss properties and/or non-repetitive flood loss properties; however, the alternative cost-effectiveness approach may only be used for the NFIP Repetitive Loss properties.

4.6.2 COST-EFFECTIVENESS DOCUMENTATION

For each BCA, the Applicant/subapplicant **must** provide a copy of each page of the actual analysis used, whether the BCA was performed using FEMA software or a pre-approved alternative methodology. An electronic version of the BCA must be provided in Microsoft Excel as well. BCA cover pages or summary reports will not constitute submission of a complete BCA. Project subapplications without legible or complete BCA information for each property may be removed from consideration.

Project subapplications that do not include appropriate documentation to support the submitted BCA may be removed from consideration. Therefore, it is imperative that all supporting documentation be included in the application. The documentation must support figures, assumptions, data derivation and calculation methods used in the BCA. Subapplications **must** include full and credible documentation, which:

- Clearly explains the data used in the analysis, including the source;
- Explains reasons and sources of information for the use of non-default values in the BCA;
- Is well organized; and
- Provides references to the appropriate parts of the analysis.

Project subapplications should include surveys, copies of elevation certificates, copies of appropriate sections of Flood Insurance Studies (FIS) and FIRM, copies of relevant supporting information from Engineering reports and other documentation to support figures used in their BCAs. A good rule of thumb to observe is that a subject matter expert should be able to calculate the BCA based upon the information provided in the subapplication without any additional explanation. FEMA has prepared Benefit-Cost Analysis Data Documentation Templates (DDT) to assist subapplicants in organizing and addressing all required documentation in support of the BCA. It is suggested that a DDT be prepared and attached with the supporting documentation for each project BCA. The DDT templates are found in the FEMA on-line library or can be reached through <http://www.fema.gov/government/grant/resources/index.shtm>.

The credibility of data sources also is extremely important. FEMA recommends obtaining information from published technical sources, in particular engineering studies such as FIS's and technical web sites such as those operated by the USGS, NOAA, and a range of academic organizations and State agencies and including this information with the project subapplication. Professional licensure is strongly preferred in all cases. In addition, data from FEMA software and default values from FEMA BCA guidance located on the Mitigation BCA Toolkit CD (See *Section 5, Technical Assistance Resources*) will be

accepted as completely credible, when software is used correctly and documentation is provided.

4.7 ENVIRONMENTAL/HISTORIC PRESERVATION REVIEW

- **Pre-Award Requirement:** Applicants and subapplicants are required to provide information to support FEMA's environmental and historic preservation compliance process. **Funds will not be awarded and the Applicant/subapplicant may not initiate the project until FEMA has completed its review;**
- **Authorities:** As part of this review process, FEMA will assess compliance with applicable requirements including the National Environmental Policy Act (NEPA), the National Historic Preservation Act (NHPA), the Endangered Species Act (ESA), and the Executive Orders on Wetlands, Floodplains, and Environmental Justice. The application of these laws and orders is threefold:
 - 1) To help a subapplicant understand the compliance requirements for the proposed project and how in meeting some of those requirements, the overall design and cost of the project may be affected;
 - 2) To help FEMA determine how well the Applicant/subapplicant understands these issues and has addressed them in the project design. In the case of historically significant structures, the owner has the option to use dry floodproofing when elevation and acquisition would adversely affect the historic characteristics of the property or area; and
 - 3) To help expedite the actual environmental and historic preservation compliance process that FEMA must complete before final approval and of the project. Technical Assistance: Applicants and subapplicants are strongly encouraged to request assistance from FEMA with their environmental and historic preservation questions by contacting the FEMA helpline via phone: (866) 222-3580, via e-mail: ehhelpline@dhs.gov, *Section 5.2.3, Environmental/Historic Preservation Technical Assistance*, or from the applicable FEMA Regional Office, *Section 1.13, Regional Contact Information*.
- **Coordination with State and Federal Agencies:** It is recommended that Applicants/subapplicants initiate coordination with relevant State or Federal agencies as soon as possible in order to identify any environmental or historic preservation compliance issues associated with proposed projects. Applicants with project subapplications selected for further review will be notified of the date by which all pre-award activities (including environmental and historic preservation activities) must be completed that are considered a FEMA responsibility. The Applicant's and subapplicant's cooperation in the EHP process will ensure timely completion of this review.

4.7.1 ENVIRONMENTAL/HISTORIC PRESERVATION DOCUMENTATION

- **Scope of Work:** An accurate and thorough SOW provides crucial information to FEMA when undertaking Environmental/Historic Preservation review. In addition to the information provided in the SOW, Applicants/subapplicants must answer a series of Environmental/Historic Preservation review questions in the project subapplication to provide information about potential environmental resources and/or historic properties in the project area and potential impacts to those resources. If the potential resources are identified, the Applicant/subapplicant must provide the following information in order for

the project subapplication to be considered complete including the source and date for all information provided:

- 1) The property address and original date of construction for any buildings or structures that are 50-years or more in age;
 - 2) Any identified Federally listed threatened or endangered species and its designated critical habitat in the project area;
 - 3) Vegetation, including amount (area), type, and extent to be removed or affected;
 - 4) Identification of all surface waters in the project area regardless of drainage area, size, or perceived hazard level. Information about surface waters should include dimensions, proximity of the project activity to the water, and the expected and possible impacts of the project upon surface waters, if any; and
 - 5) Description of any adverse effects on low or minority populations in the project area;
- **Eligibility and Completeness Review:** During Eligibility and Completeness Review, FEMA will review the completeness of the responses to the questions in the Environmental/Historic Preservation review section of the project subapplication and supporting documentation. Project subapplications and individual properties that do NOT include the required information may result in a delay in identifying outstanding environmental or historic preservation compliance measures and may prohibit FEMA from awarding FMA grants by deadline; and
 - **Review and Compliance Process:** FEMA will use the information provided in the SOW, Cost Estimate, and Environmental/Historic Preservation sections of the project subapplication to perform the Environmental/Historic Preservation Review of the proposed projects. **To facilitate the required compliance process, FEMA strongly encourages the Applicant/subapplicant to:**
 - 1) Work with Federal and State resource agencies to begin collecting information about potential environmental or historic preservation impacts from the proposed project and provide any documentation from the resource agency. The Applicant/subapplicant should also determine if the mitigation projects will impact historically significant properties;
 - 2) Evaluate how identified environmental or historic preservation impacts could affect the overall project feasibility or if project alternatives or changes to the design, scope or location of the project may be required to minimize potential adverse impacts;
 - 3) Determine if potential environmental impact mitigation measures and historic preservation measures, or changes to the project to minimize adverse effects to environmental resources or historic properties, may affect the overall project costs. For example, certain structures may be floodproofed if acquisition, mitigation reconstruction, or elevation would diminish the historic value of the property;
 - 4) Provide supporting documentation at the time of the subapplication submission to include clearly labeled maps, diagrams, photographs, letters, or other documentation from resource agencies; and
 - 5) Utilize the eLearning Tool for FEMA Grant available online at: <http://www.fema.gov/plan/ehp/elearning/index.shtm>. The project subapplication

provides the necessary information for FEMA to determine the eligibility of proposed projects under the FMA program, including a thorough evaluation of Environmental and Historic Preservation impacts.

4.7.2 BENEFIT-COST TECHNICAL REVIEW

FEMA will verify the BCAs for proposed FMA mitigation projects to ensure that projects have a BCR of 1.0 or greater. Project subapplications with a BCR of less than 1.0 may be removed from consideration.

The benefit-cost review will be based on the documentation provided in the project subapplication. Projects where the BCA is inadequately documented or where critical data or sources appear unreasonable may be removed from consideration.

4.7.3 CONDITIONS FOR THE AWARD OF FUNDS

For mitigation project subapplications selected for further review, FEMA will complete the Environmental and Historic Preservation review in consultation with appropriate Federal and State resource agencies. This review will be conducted with the assistance of both the Applicant and the subapplicant as part of its Pre-award Activities. The outcome of this review may be the identification of required environmental impact mitigation or historic preservation treatment measures necessary to avoid, minimize or compensate for adverse effects caused by the project. Depending on the type of property or resource affected and the scope of the project, the measures may be minimal or extensive. These required environmental impact mitigation or historic preservation treatment measures will be required conditions placed on the award of the grant.

FEMA will not consider changes to the SOW between the application deadline and the completion of the selection process. It may be possible for the Applicant and subapplicant to avoid or minimize adverse effects by revising the SOW during the pre-award process. The Applicant and subapplicant must explain in the revised SOW how any identified impacts to environmental resources and/or historic properties will be addressed.

The Applicant/subapplicant must ensure to the best of their ability that costs of any treatment measures necessary to address potential adverse impacts are realistically reflected in the Cost Estimate. Clean-up costs associated with hazardous materials are not eligible project costs. The Applicant/subapplicant is encouraged to provide an explanation of how the Cost Estimate was developed to include costs associated with anticipated impact mitigation and treatment measures. All such costs identified through the review and consultation process may be eligible if included as part of the project subapplication Cost Estimate.

The amount of the Federal share may NOT be increased to cover any additional costs identified after the application deadline. If the estimated additional costs of these measures exceed the Cost Estimate submitted, the Applicant/subapplicant may accept the subgrant award and pay the additional costs or decide not to accept the subgrant award.

FEMA may recoup subgrant funds if any conditions of the award are not implemented as agreed upon or if the Applicant/subapplicant initiates the project prior to FEMA's completion

of the Environmental/Historic Preservation review. Within 4 months of selection, the Applicant must provide all additional required documentation so that the Environmental/Historic Preservation review can be completed or project subapplication may not be approved for award. One year extensions of the obligations deadline will be permitted on a limited basis.

4.8 PROJECT SUBAPPLICATION CHECKLIST

The project subapplication **must** include the following information:

- **Applicant Information:** Provide name, type of subapplicant (*e.g.*, State Agency, Local, Indian tribe), address, State and Federal Tax numbers, and Employer Identification Number.
- **Contact Information:** Provide name, agency, and address for the point(s) of contact for the subapplication.
- **Community Information:** Provide name of community and brief description of the community to include population, location, any geographic areas of interest, a synopsis and history of hazards affecting the community, and other applicable information that will clarify the need for the mitigation project.
- **Match Sources:** Provide the non-Federal cost share for the proposed activity, including documentation to support the non-Federal cost share (See *Section 1.7, Cost Share Requirements*);
- **Mitigation Plan Information:** Indicate whether the State/Indian tribe/territory is covered by a FEMA-approved State/Indian Tribal Standard or Enhanced hazard mitigation plan; if applicable, indicate whether the local entity in which the project is located is covered by a FEMA-approved Indian Tribal/local hazard mitigation plan; and describe how the proposed project is consistent with the goals, objectives, and priorities identified in any existing hazard mitigation plans. Provide reference to planning documents (*i.e.*, section and page number).
- **Scope of Work:** Describe the objectives, methodology, feasibility, outcomes, resources, deliverables, and benefits of the proposed project, including the hazard(s) to be mitigated, and location of project (*e.g.*, appropriate sections of FIRM), and engineering design, feasibility and effectiveness for relocation projects.
- **Activity Information:** Identify the type of activity proposed (*e.g.*, acquisition and demolition or acquisition and relocation).
- **Properties:** Provide a list of properties to be mitigated. For each property, provide the address, latitude and longitude, NFIP repetitive loss number, Market Value, and BCA. In addition, provide a letter of interest or from the owner of each property identified.
- **Schedule:** Provide timeframes to complete each project task (*e.g.*, survey, appraisal, permitting, inspection requirements, site preparation), and significant milestones throughout the entire performance period (See *Section 1.9, Performance Period*);
- **Cost Estimate:** Provide all anticipated and potential costs for each proposed project activity. Provide an Approved Indirect Cost Agreement, if applicable. Include URA, if applicable.

- **Cost-Effectiveness Information:** Provide complete BCA and documentation for each property, including damage history, methodology used for the event frequency determination, and all BCAs to support property Benefit-Cost Ratios.
- **Environmental & Historic Preservation Review:** Provide a description of Environmental/Historic Preservation impacts and the alternatives considered prior to deciding upon the project.
- **Maintenance Schedule and Costs:** Provide a maintenance schedule, including cost information, and identify the entity that will perform long-term maintenance.
- **Assurances and Certifications:** If applicable in your Applicant State/Tribe/Territory, complete the Summary Sheet for Assurances and Certification, FEMA Form 20-16; Assurances-Non-Construction Programs, FEMA Form 20-16A; Assurances-Construction Programs, FEMA Form 20-16B; Certification Regarding Lobbying; Debarment, Suspension and Other Responsible Matters; Drug-Free Workplace Requirements, FEMA Form 20-16C; and Disclosure of Lobbying Activities, Standard Form LLL.
- **Property Acquisition Statement of Assurances:** Provide signed statement of agreement with certain assurances required for projects involving property acquisition (See FEMA's FMA website for a model statement of assurances <http://www.fema.gov/government/grant/fma/index.shtm>).

4.9 FEMA PRE-AWARD ACTIVITIES

FEMA Regional Offices will work with Applicants who have approved Project subapplications to implement required pre-award activities prior to grant award (See *Section 1.8.5, FEMA Pre-award Activities*).

4.9.1 PROPERTY ACQUISITION AND RELOCATION REQUIREMENTS

For property acquisition and relocation projects, the subapplicant must submit documentation that the subapplicant has consulted the US Army Corps of Engineers and the State Department of Transportation regarding potential future land use conflicts with open space acquisition. Additionally, the subapplicant must submit a copy of the deed restriction, incorporating the specific language from FEMA's model deed restriction, which the local government will record with acquired properties.

4.9.2 SPECIAL FLOOD HAZARD AREA REQUIREMENTS

For projects related to improved structures sited in SFHAs, FEMA will verify that participating property owners obtain flood insurance on the property by application and require assurance that flood insurance is maintained for the life of the property. Signed notices of the conditions for receiving FEMA grant funds for projects in a SFHA must be provided to FEMA at application. Properties that do not meet these requirements will not be eligible to receive assistance under the FMA program (See *Section 1.3.3, Program Requirements*).

The following requirements apply to any project to alter existing structures that are sited within a Special Flood Hazard Area (SFHA):

- When the project is implemented, all structures that will not be demolished or relocated out of the SFHA must be covered by flood insurance to an amount at least equal to the

project cost or to the maximum limit of coverage made available with respect to the particular property, whichever is less; and

- The subapplicant (or property owner) will legally record with the county or appropriate jurisdiction's land records a notice that includes the name of the current property owner (including book/page reference to record of current title, if readily available), a legal description of the property, and the following notice of flood insurance requirements:

"This property has received Federal hazard mitigation assistance. Federal law requires that insurance coverage on this property must be maintained during the life of the property regardless of transfer of ownership of such property. Pursuant to 42 U.S.C. Part 5154a, failure to maintain flood insurance on this property may prohibit the owner from receiving Federal disaster assistance with respect to this property in the event of a flood disaster. The property owner is also required to maintain this property in accordance with the flood plain management criteria of Title 44 of the Code of Federal Regulations Part 60.3 and City/County Ordinance."

Applicants receiving assistance for projects sited in a SFHA will ensure that these requirements are met by requesting the participating property owner(s) to sign an Acknowledgement of Conditions for Mitigation of Property in a SFHA with FEMA Grant Funds form and providing the form to FEMA prior to award. This form is available on the FMA web page: <http://www.fema.gov/government/grant/resources/pre-award.shtm> or from FEMA Regional Offices (See *Section 1.13, Regional Contact Information*). Properties that do not meet these requirements will not be eligible to receive assistance under the FMA program.

4.9.3 FLOOD ELEVATION DATA

In the wake of a major flood event, FEMA may issue Advisory Base Flood Elevations (ABFE) that more closely reflects post-storm conditions. In areas where ABFEs have not been established, existing and effective flood boundaries and elevations must be utilized during project development. ABFEs developed following Hurricanes Katrina and Rita are currently available for several areas eligible for FMA activities. Applicants should check the status of this information during project scoping.

- ABFE information is available for the coastal counties in Mississippi from the FEMA website at:
http://www.fema.gov/hazard/flood/recoverydata/katrina/katrina_ms_index.shtm
- For the parishes in Louisiana from the FEMA website at:
http://www.fema.gov/hazard/flood/recoverydata/katrina/katrina_la_index.shtm.

In addition to the issuance of ABFE data, FEMA periodically updates the flood hazard data for a community by issuing a new FIS and FIRM. It is conceivable that while a community is implementing an approved mitigation project, a new FIRM with flood elevations different from the previous map is adopted for use in administering the NFIP. Under this scenario, the mitigation project must be permitted in accordance with the effective FIRM.

During the grant application development process, Applicants are encouraged to contact the office of the State NFIP coordinator to assess the potential for FIRM updates in potential project areas.

4.9.4 GEOCODING REQUIREMENTS

The location of all approved mitigation projects funded by the PDM program must be geocoded using standard datum. Geospatial coordinates, in the form of latitude and longitude with an accuracy of +/- 20 meters (64 feet), must be provided for all individual properties contained in the mitigation project, including:

- Individual property information on properties mitigated, and
- Project sites for mitigation activities such as stormwater management, road and bridge improvement, and critical facility protection, and flood control projects.

The specific Guidance for Geocoding Mitigation Data was provided to the FEMA Regional Offices in August, 2004, and provides guidance for collecting and formatting location information. This is available on FEMA's web page:

<http://www.fema.gov/government/grant/pdm/index.shtm> or from the Regional Offices. FEMA will work with Applicants to ensure this information is provided prior to award.

4.9.5 ENVIRONMENTAL AND HISTORIC PRESERVATION COMPLIANCE REQUIREMENTS

FEMA will complete the Environmental/Historic Preservation compliance review for projects as part of pre-award activities. Subgrantees shall not initiate grant activities until FEMA has completed the Environmental/Historic Preservation review. FEMA may, at its discretion, request information or documentation from Applicants to resolve outstanding administrative or procedural requirements as part of its pre-award activities. Certain projects are of a nature that environmental/historic review can be accomplished with the information provided in the subapplication. Other projects may require some additional review, or extensive review. FEMA will often request that the Applicant and subapplicant work with FEMA in the review process.

4.10 UPDATING REPETITIVE LOSS DATABASE FOR MITIGATED PROPERTIES

In order to maintain accurate, up-to-date records for all repetitive loss properties mitigated as a result of FMA Project grants, FEMA requires the submission of Form AW-501, *NFIP Repetitive Loss Update Worksheet* (OMB #1660-0022). Typically, this form is completed by the State or community, but it may be completed by a Region with appropriate documentation that shows any changes in the status of a property (*i.e.*, elevation certificate). This form, along with the transmittal sheet or other document signed by an authorized community official, must be submitted for each property mitigated with FMA funds prior to closeout. Form AW-501 and instructions for completing and submitting the Form are available on FEMA's FMA web page, <http://www.fema.gov/government/grant/resources/aw501ins.shtm> or from the Regional Offices (See *Section 1.13, Regional Contact Information*).

SECTION 5 TECHNICAL ASSISTANCE RESOURCES

FEMA will provide technical assistance to both Applicants and subapplicants by answering general questions about the FMA program as well as providing general technical assistance related to planning and project subapplications. FEMA will also provide technical assistance regarding the application process and the eGrants system. FEMA encourages Applicants and subapplicants to seek technical assistance early in the application period by contacting their FEMA Regional Office (See *Section 1.13, Regional Contact Information*).

5.1 eGRANTS HELPDESK

FEMA will provide technical assistance to Applicants and subapplicants specific to the eGrants through the eGrants Helpdesk, which can be reached via phone: 1-866-476-0544 or e-mail: mtegrants@dhs.gov. Standard hours of operation are 9 a.m. to 5 p.m. Eastern Time. Hours may be extended during the application period.

5.2 PROJECT TECHNICAL ASSISTANCE

FEMA will provide general technical assistance to both Applicants and subapplicants related to project Engineering Feasibility, BCA, and Environmental/Historic Preservation compliance. However, in no case will technical assistance involve conducting a BCA, or reviewing project-specific information for completeness or technical feasibility.

5.2.1 ENGINEERING FEASIBILITY TECHNICAL ASSISTANCE

FEMA may provide technical assistance to Applicants and subapplicants regarding the level of documentation and the types of information that FEMA will need to adequately review the feasibility and effectiveness of proposed mitigation projects. In addition, FEMA may provide technical assistance to Applicants and subapplicants regarding the completeness and accuracy of project cost estimating for engineering costs.

To assist Applicants and subapplicants with the documentation of their proposed projects, FEMA has prepared Sample Engineering Case Studies. These case studies provide examples of the information needed for proposed mitigation projects. The case studies include general information that must be included in the application and highlight the importance of the SOW and Cost Estimate sections of the project subapplication as they relate to documentation for the engineering review. The case studies are not sample applications and must only be used as guidance. The case studies are available on FEMA's PDM web page: <http://www.fema.gov/government/grant/resources/index.shtm#2> or from the Regional Offices (See *Section 1.13, Regional Contact Information*).

FEMA has developed procedures to assist Applicants applying for funding under FEMA's mitigation grant programs for several common flood project types. The purpose of these documents is to provide guidance to Applicants and subapplicants regarding collection of the administrative and technical data that FEMA requires. The Procedures for Developing a SOW may be downloaded from the FEMA website: <http://www.fema.gov/government/grant/resources/index.shtm#3>.

In addition, a Help Module will be available to assist Applicants and subapplicants with developing the SOW, Work Schedule, and Cost Estimate for project subapplications. The Help Module will provide interactive and dynamic, context-sensitive help and resources throughout the development of a project application. The Help Module is linked to various sections of the project subapplication in the eGrants system and is also available from the FEMA Information Resources Library:

<http://www.fema.gov/library/viewRecord.do?id=1860>.

5.2.2 BENEFIT-COST ANALYSIS TECHNICAL ASSISTANCE

FEMA has prepared a Mitigation BCA Toolkit CD. This CD includes all of the FEMA BCA software, technical manuals, BCA training courses, and other supporting documentation. Applicants and subapplicants may obtain the FEMA Mitigation BCA Toolkit CD free from FEMA by contacting the Technical Assistance Helpline or the applicable FEMA Regional Office (See *Section 1.13, Regional Contact Information*).

While FEMA will provide technical assistance on the BCA data needs and documentation requirements, FEMA will not input data and/or run the BCA modules for Applicants or subapplicants. The BCA technical assistance provided to potential Applicants and subapplicants may cover:

- Use of the FEMA Mitigation BCA Toolkit CD;
- Use of the BCA Data Documentation Templates found on the Toolkit CD;
- Proper use of the BCA modules, procedures, and methodologies;
- How to handle aggregate project BCA for multiple properties and methodologies; and
- How to prepare detailed Cost Estimates.

5.2.3 ENVIRONMENTAL/HISTORIC PRESERVATION TECHNICAL ASSISTANCE

The Applicant and subapplicant may find specific guidance on completing the Environmental/Historic Preservation questions in the Environmental/Historic Preservation Information section of the project subapplication linked to this section in the eGrants system as well as on FEMA's website at <http://www.fema.gov/plan/ehp/index.shtm>.

In addition, a Help Module is available to assist Applicants and subapplicants with answering the Environmental/Historic Preservation questions and provides interactive and dynamic, context-sensitive help, instructions, and resources for each of the parts of the Environmental/Historic Preservation Information section of the project subapplication. The Help Module also highlights Environmental/Historic Preservation considerations that may need to be addressed in other parts of the project subapplication, such as the SOW and Cost Estimate. The Help Module is linked directly to the Environmental/Historic Preservation Information section of the project subapplication in the eGrants system as well as to the FEMA web page: <http://www.fema.gov/plan/ehp/elearning/index.shtm>.

FEMA also offers training related to Environmental/Historic Preservation online through the National Emergency Training Center Virtual Campus. This interactive, computer-based, independent study course is designed to provide the user with the basic background and practical knowledge needed to participate in FEMA's Environmental/Historic Preservation review process; help the user understand how the Environmental/Historic Preservation review process applies to various projects proposed under FEMA's programs; and provide the resources necessary for the user to accomplish Environmental/Historic Preservation responsibilities. The Independent Study course, IS 253, includes interactive knowledge checks, case studies, and resource materials. Please visit the FEMA website at <http://training.fema.gov/EMIWeb/IS/is253.asp> for more information about the online course or contact your FEMA Regional Office (See *Section 1.13, Regional Contact Information*).

5.2.4 PROJECT TECHNICAL ASSISTANCE HELPLINES

FEMA established Technical Assistance Helplines to provide assistance to Applicants and subapplicants with engineering feasibility and effectiveness; BCA, including BCA software, technical manuals, and other BCA references; and Environmental/Historic Preservation compliance for project subapplications. The Helplines can be reached via telephone: 1 (866) 222-3580 or e-mail: enghelpline@dhs.gov; bchhelpline@dhs.gov; and ehhelpline@dhs.gov, respectively, and a representative will respond within two-business days.